



Framing the Future: Developing the Film and Broadcast Sector - Interreg IVA Region. Northern Ireland (excluding greater Belfast), western Scotland and the six Republic of Ireland border counties.

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Framing the Future: Developing the Film and Broadcast Sector

INTERREG IVA REGION

Northern Ireland (excluding greater Belfast),
western Scotland and the six Republic of Ireland
border counties



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Front cover images:

Top left (larger image): Scene from the short film Time to be Sleeping produced by Big Box Network. Image courtesy of Big Box Network.

Top left (smaller image): Brendan Gleeson in the 2014 film Calvary, county Sligo, Republic of Ireland border counties. Image courtesy of Reprisal Films and eOne.

Top right: Genealogy Roadshow branding from Ireland. Image courtesy of Big Mountain Productions.

Middle: Scene from Game of Thrones, series 4. Image courtesy of Sky Atlantic.

Bottom right: James May presents Head Squeeze. Image courtesy of 360 Production.

Bottom middle: Scene from Today's Iona examining the significance of St Columba to today's community on Iona, western Scotland. Image courtesy of MacTV.

Back cover images:

Top: Game of Thrones film location in Northern Ireland, Stranocum, Dark Hedges. Copyright Northern Ireland Tourist Board, 2010.

Middle: Trusadh documentary 'Munros Conquered' follows Kevin Woods ascent in 100 days of all 282 mountains in Scotland over 3,000 ft (Munros). Produced by MacTV in western Scotland and broadcast on MG Alba. Image courtesy of MacTV.

Bottom: Scene from the Genealogy Roadshow, Kenyatta, USA. Image courtesy of Big Mountain Productions.

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Executive Summary



The Honeycomb - Creative Works

programme aims to assist the development of the digital content sector of creative industries across Northern Ireland (excluding Belfast and greater Belfast), the six border counties of the Republic of Ireland and the western seaboard of Scotland.

Honeycomb is part-financed by the European Union's INTERREG IVA Cross Border Programme managed by the Special EU Programmes Body.

The intelligence gathering aspect of Honeycomb's work aims to monitor developments in sub sectors of the digital content industry (film and broadcast, games, interactive media, music technology and animation). This report forms part of Honeycomb's intelligence gathering work. The report details the results of Honeycomb's survey on the skills and development needs of the film and broadcast sector, it analyses research interviews and reviews future forecast research. Informed by this evidence, recommendations on how to support the film and broadcast sector's sustainable future development are made. This report can provide evidence for both industry and policymakers to shape their future decision-making.

A detailed overview of the film and broadcast sector overall and in each of the Honeycomb eligible areas, is provided in section two. A structural profile of the sector is constructed based on the project's survey findings, which is also supplemented by wider data and illustrated by case studies. In the Honeycomb

eligible area general patterns identified were the existence of young companies with a low turnover. They had few employees, but also used freelancers. Domestic markets were found to be the key focus of sales signalling that export development and expansion into international markets is a potential area for future growth. Assistance received from agencies or government was most often financial in the form of a loan. General patterns identified in the structure of the Northern Ireland's (excluding Belfast and greater Belfast) film and broadcast sector were companies ranging in age, with a low turnover, few employees and the use of freelancers was present. Sales were concentrated in the domestic market. Assistance received from agencies or government was most often financial in the form of a loan. General patterns identified in the sector's structure in the Republic of Ireland border counties were similar to Northern Ireland. There was a strong presence of young companies with a low turnover, which had few employees but also used freelancers. Sales were concentrated in the domestic market. Assistance received from agencies or government was most often financial in the form of a loan. In western Scotland, general patterns in the structure of sector identified were that companies ranged in

age and turnover was mostly between £51,000 and £150,000. Companies had few employees but also used freelancers. Sales were concentrated in the domestic market. Over a third had received assistance from agencies or government and this was most often financial in the form of a loan.

Section three details skill shortages in the sector, as found in the Honeycomb survey, also supplemented by analysis of industry interviews. Overall from the survey, skills improvement at advanced levels was viewed as in much greater need than beginner level skills. According to the Honeycomb survey, in the film and broadcast sector, the three top areas of skill that the most respondents agreed were in deficit in their workforce were: craft/technical skills (50%), sales and marketing skills (46%) and business skills (45%). The two greatest skills deficits identified in Northern Ireland (excluding Belfast and greater Belfast) were in business skills and craft/technical skills. The two greatest skills deficits identified in the Republic of Ireland border counties were around sales and marketing skills and business skills. The two greatest skills deficits identified in western Scotland were in sales and marketing and craft/technical skills. Industry interviews revealed some fundamental

challenges relating to skills development focused around the cost of up-skilling and the pace of change. Currently, support for skills development does exist, but because of these two overarching factors, the sector would benefit from increased support for skills training. The nature and structure of programmes for skills development were also found to be important. Practice-based learning is valued. The importance of apprenticeships strongly emerged from the industry interviews. In addition creating a facilitative environment, where becoming involved in content production is more widely accessible, would facilitate practice-based learning and skills development. The development of business skills, alongside creative skills, is also important in the future growth of the sector.

In section four broader issues facing the development of the film and broadcast sector are detailed. A key emerging issue was having adequate access to finance and funding to bridge the gap between creative ideas and their development into commercial content. The need for greater recognition of the economic potential of the sector was also identified. Increased government investment in research and development for film and broadcast

Key skills deficits in the film and broadcast sector

50%

Technical and craft

46%

Sales and Marketing

45%

Business

Game of Thrones film location in Northern Ireland,
Stranocum, Dark Hedges.

Copyright Northern Ireland Tourist Board, 2010.

Executive Summary

content would support the sector developing to its economic potential and assist the future creation of valuable intellectual property. The Honeycomb survey found fairly low levels of membership of industry organisations. Following from this, it is argued that strong representative organisations within the film and broadcast sector with lobbying functions would give this fragmented industry greater bargaining power. In relation to international networking the evidence suggests that increased support for attending international trade events and festivals, focused on supporting companies to expand and develop a product in development, or seek international partners to expand a product's reach, would facilitate growth better than ad hoc support for international networking. Broadband capacity was an infrastructural challenge identified; however this varied between the regions and was most significant in the Republic of Ireland and western Scotland. In Northern Ireland (excluding Belfast and greater Belfast) communications infrastructure was found to inhibit business activities. Overall, it is argued that each of the eligible areas would benefit from



Scene from Today's Iona examining the significance of St Columba to today's community on Iona, western Scotland. Image courtesy of MacTV.



Scene from the 2014 film Calvary featuring Benbulbin in the background, county Sligo, Republic of Ireland border counties.

Image courtesy of Reprisal Films and eOne.

the development of a regional film and broadcast development strategy, also focusing on improving the region's strengths in particular genres. Market access was also a key challenge identified in western Scotland. Economic forecast data, such as research produced by Deloitte, PricewaterhouseCoopers, Key Note, and Apex Insight, is reviewed in section five. This provides evidence that can help shape and inform industry decision making and policy. Key trends identified include that digitisation will be a key factor in shaping future growth and businesses must adapt their operating models to benefit from digitally driven growth opportunities.

Digitisation is expected to impact a change in commissioning with a broader range of commissioners of content, such as distributors, technology companies and even retailers, expected in the future. While funding and commissioning opportunities are broadening, budgets and margins will however remain tight. Production companies can, however, tap into newer revenue opportunities outside of the more traditional model of broadcaster commissioning, such as success based payments and licencing of formats.

Technology is expected to enable greater levels of collaboration between companies across different regions to produce a greater range of content. Digitisation is also expected to demand additional skills. Better resolution may also require higher standards in set design and make-up for example. Other changes identified include that physical content such as DVDs and Blu-ray will remain an important part of the market, but revenues are declining at a fast rate. Electronic content and streaming is growing apace. Cinema viewing remains popular and emerging markets are a key area of growth. International markets, in particular emerging markets with rising disposable incomes and large audience numbers, provide important opportunities for export. Also because of the growing importance of emerging markets, it is expected there will be increased opportunities for international co-productions in the future. It was also identified that the quality and affordability of equipment has reduced barriers to entry. However in a tough global marketplace, where access to distribution is dominated by major players, this is still a difficult market to succeed in. Better access to distribution networks is also very important to future growth.

Finally in section six, based on the range of evidence presented in this report, recommendations are made that can inform policymaking to support and maximise the growth potential held by the film and broadcast sector in these less urbanised areas of Northern Ireland, the Republic of Ireland and Scotland.

01

Introduction



Honeycomb - Creative Works is a £3.58 million programme targeted at the digital content sector across the INTERREG IVA region of Northern Ireland, the six border counties of the Republic of Ireland and the western seaboard of Scotland, funded by the European Union's INTERREG IVA Cross Border Programme, managed by the Special EU Programmes Body.

1.1 THE HONEYCOMB PROGRAMME

Honeycomb is being delivered by a partnership led by Ulster University (formerly University of Ulster) and comprising Dundalk Institute of Technology, Creative Skillset and the University of the West of Scotland. Honeycomb addresses the economic, educational, social and cultural needs of the sector by focusing on SMEs, organisations and individuals in the following digital content sub sectors:

- film and broadcast
- animation
- computer gaming
- interactive media
- music technologies

Honeycomb works to develop networks of scale to build the capacity of, and establish greater links between, digital content SMEs, freelancers and start-ups across the three regions through a comprehensive networking programme. It also aims to develop skills to address the shortfall in sector specific training for the digital content sector. Also part of the programme is a seed funding scheme and investment fund for early stage digital content projects.

The intelligence gathering aspect of the programme aims to monitor developments in the sub-sectors of the digital content industry and devise a range of studies to inform policy, industry and the Honeycomb programme's design. This report forms part of the intelligence gathering element of the programme. It is one of a series of sector specific reports produced by Honeycomb's research group.

1.2 PURPOSE AND OVERVIEW OF THIS REPORT

The film and broadcast sector is a vibrant economic sector with positive future prospects. For example, the audiovisual sector in the UK is hailed as an economic and cultural success story (Foster and Broughton, 2011). Oxford Economics (2012) found the UK film industry to directly contribute £1.6 billion to national GDP and directly create 43,900 full-time jobs, while direct and indirect contribution was found to be £4.6 billion to national GDP and 117,400 full time jobs. UK television exports increased in 2012 with a value exceeding £1.2 billion (PACT, 2013a). Ireland's audiovisual content production sector has been valued at €557.3 million, 0.3% of GDP and employing almost 7,000 people (PwC, 2008).

Various strategies and policies aim to support the sector. 'Creative Capital' presents a strategy to stimulate growth in Ireland's audiovisual economy and expand Ireland as a centre for international production (Audiovisual Strategic Review Steering Group, 2011). In the UK and broader creative industries context, UK Trade and Investment published its international strategy for creative industries to drive global growth in June 2014. The strategy focuses on assisting companies to begin exporting and further develop the exports and international partnerships of those already active in international markets. Overall UK Trade and Investment aims to double the number of creative industry companies that export, as well as supporting the value of exports to reach £31 billion (UK Trade and Investment, 2014).

Further action could also assist in fully capturing the potential of the film and broadcast sector, and wider creative industries. For example, the Confederation of British Industry's (2014) Creative Nation report presents a growth strategy for creative industries, but highlights key challenges that face the industry in continuing to prosper. Global competitiveness is increasingly vital in building the

UK as a global television hub (Commercial Broadcasters Association, 2013). The Creative Industries Council 2014 strategy highlights the need to unite different creative industry sectors and identifies five areas of priority: access to finance, education and skills, infrastructure, intellectual property and international exports/inward investment (Creative Industries Council, 2014). The regional dimension also needs greater attention. The industry is concentrated in large cities, however, outside of these major centres, smaller clusters exist alongside dispersed activities in more peripheral areas.

This report constructs a profile of the film and broadcast sector in each of the Honeycomb eligible regions, identifies key challenges hampering development, develops case studies of film and broadcast activities and details future forecasts on the evolution and growth of the sector. The findings of a survey carried out by Ashbrook Research and Consultancy on behalf of the Honeycomb partnership are also presented and analysed (note: survey results are rounded to the nearest figure). This survey involved telephone interviews conducted in February 2014, based on a questionnaire designed to understand the structure, skills and networking

issues in the digital content sector in the Honeycomb eligible area. Interviews were conducted with 84 film and broadcast companies, 17 based in the Northern Ireland region (excluding Belfast and greater Belfast), 37 in the Republic of Ireland border region and 30 along the western seaboard region of Scotland. The research is also informed by semi-structured interviews carried out with industry practitioners from film, television, animation and studios in the three eligible areas, as well as on the edge of the eligible areas. Interviews were conducted with one film production company from each area. Two television production companies were interviewed in Northern Ireland and one from both western Scotland and the Republic of Ireland border counties. An animation company and studio/ facilities company based in Northern Ireland were also interviewed. Industry interviews reveal important insights that assist in understanding key industry issues in a more comprehensive way.

Informed by this evidence, recommendations on how to support the film and broadcast sector's sustainable future development are made in the final section. This report can provide evidence for both industry and policymakers to shape their future decision-making.

A profile of the film and broadcast sector



By the end of 2014, Northern Ireland Screen expects the screen industry to contribute to 1,150 full-time jobs, have a total expenditure of £120.7 million and the total value of productions to be £293.7 million (Northern Ireland Screen, 2013).

2.1 THE SECTOR IN NORTHERN IRELAND

Northern Ireland's screen industries have been held up as an example of what is possible. The sector has been strong in producing factual entertainment and its success in drama is increasing of late. The industry is concentrated in the Belfast area and innovative independent companies include Below the Radar, Sixteen South, Double Band Films and Wild Rover. Companies such as Tyrone Productions and JAM Media have offices in Belfast and Dublin, two centres for the industry on the island of Ireland. Just outside of Belfast in Holywood, county Down a cluster has also developed where companies such as Yellow Moon Productions, Waddell Media and Green Inc. are based. Many of these companies are also increasingly seeking commissions in international markets to improve their financial sustainability (Broadcast, 2013). The industry is developing a positive reputation internationally and the future potential growth of the industry is also gaining in recognition. Northern Ireland Screen's 2014 strategy 'Opening Doors' aims to develop the film, television and digital industries over the next four years, planning to invest £42.8 million in priority areas.

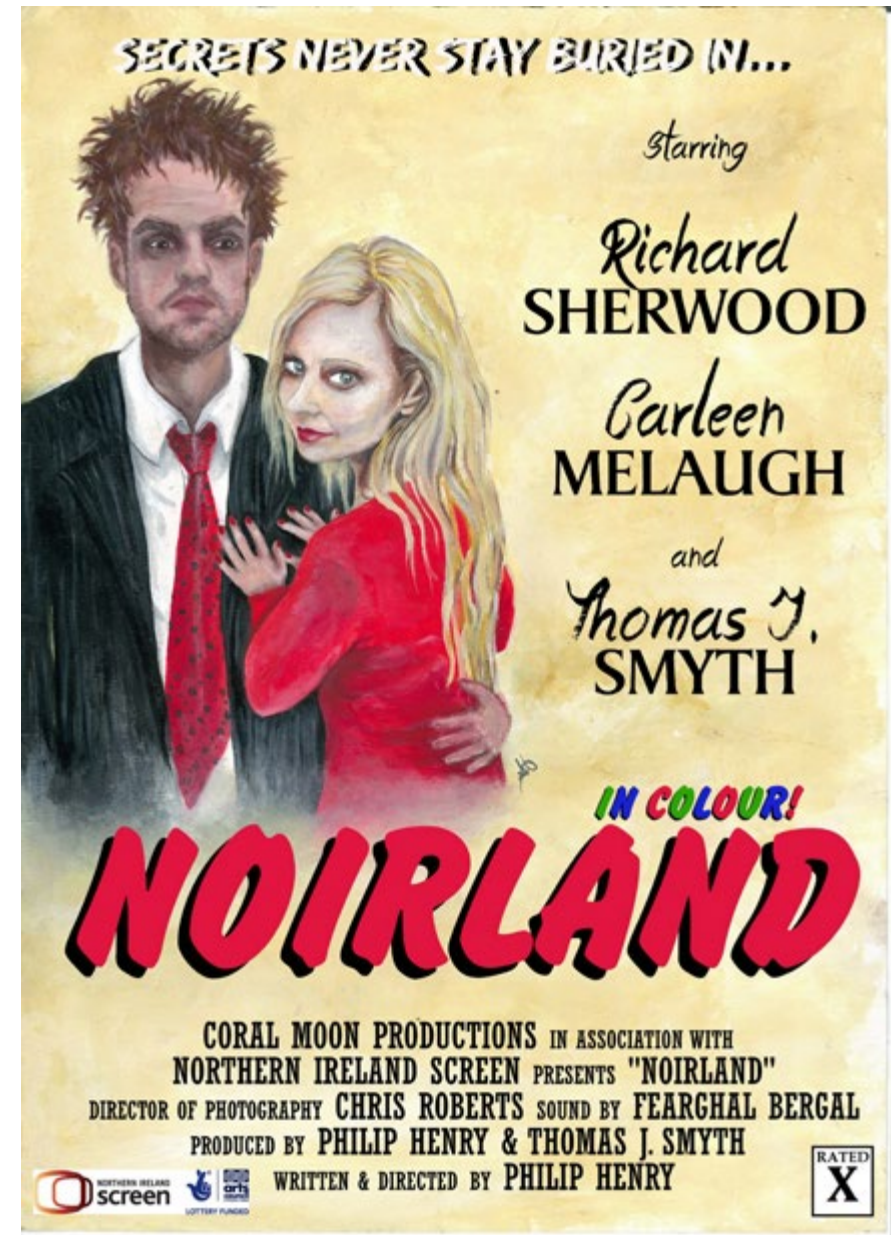
Northern Ireland's natural and cultural landscape has been an asset attracting certain kinds of productions, such as Game of Thrones (see regional case study, page 14-15), Miss Julie and Dracula Untold (Business World, 2013; Poole, 2013). A recent boost in drama production has been observed, linked to the success of BBC2's 'The Fall' and 'Line of Duty'. That said, factual entertainment has been a more enduring part of Northern Ireland's production landscape (Broadcast, 2013; Slattery, 2013). Children's television is also enjoying increased success of late. For example, the globally broadcast Pajanimals was co-produced by Belfast based Sixteen South and the Jim Henson company. More recently, Sixteen South's Lily's Driftwood Bay premiered on Nick Jr in 2014 and will also air in the US, Australia, Ireland, Germany, Finland, Norway, Sweden and Israel (Northern Ireland Screen, 2014b; McDonnell, 2013).

Derry city based Dog Ears has a partnership with Penguin to produce Puffin Rock, in co-production with Cartoon Saloon based in the Republic of Ireland, as a multi-platform brand including an animated television series, providing another example of recent successes (Digital Derry, 2012). However, for continued sustainable progress and harnessing



Scene from micro budget feature film Noirland produced in the north of Northern Ireland by Coral Moon Productions. Images courtesy of Coral Moon Productions.

of future potential issues need to be addressed. For example, Ian Kennedy Head of Stakeholder Partnerships at Creative Skillset in Belfast describes the boom in Northern Ireland's screen industries but also the need to further develop skills to fully capture the opportunity presented by current trends (Kennedy, 2014). UK tax advantages have been important in stimulating the industry. Included in the creative industry tax relief system is relief for film, animation and high end television (HM Revenue and Customs, 2014).



Poster for micro budget feature film Noirland produced in the north of Northern Ireland by Coral Moon Productions. Images courtesy of Coral Moon Productions.



Game of Thrones in Northern Ireland

hbo.com/game-of-thrones

The Emmy and Golden Globe winning series Game of Thrones was in 2014 America's leading production and one of the most successful fantasy television series ever made.

Scene from Game of Thrones, series four.

Image courtesy of Sky Atlantic.

CASE STUDY –

Game of Thrones was filmed at locations across Northern Ireland, such as at Cushendun Caves, Ballintoy Harbour and Downhill Strand. The series is also filmed at the Titanic Studios in Belfast and the Linen Mill Film Studios in Banbridge. It is based on George R.R. Martin's best-selling novels. A record 6.6 million viewers watched the season four premiere on HBO, the American subscription channel. Game of Thrones's presence in Northern Ireland is used to market the region as a tourism destination (DETI, 2014).

Game of Thrones is one of several high profile productions shot in Northern Ireland in recent years and returned to Northern Ireland for its fifth series. Welcoming the announcement Northern Ireland's First Minister Peter Robinson said it will generate an excess of £20 million annually for the economy and also said: "Continued investment by major production companies such as HBO ensures that Northern Ireland's creative industries continue to lead the way on the world stage... This has both direct and indirect benefits as Northern Ireland continues to establish itself as a prime tourist destination and investment location".



Northern Ireland Tourist Board map of Game of Thrones locations in Northern Ireland. Copyright Northern Ireland Tourist Board.

Northern Ireland Screen (2013) also highlights its significant value to Northern Ireland. During the pilot's production and series one to three, it claims £65.5 million was spent on goods and services in Northern Ireland. The series has also contributed to skills development and facilitated career advancement for film and television industry professionals. Other benefits include the confidence inspired in the film and television sector, the media exposure for Northern Ireland and showcasing of locations.

360 Production

360production.com

Broadcasting market forecasts include that an increasing number of players will commission content in the future. 360 Production provides an example of success in non-traditional broadcast platforms.

The Derry city based, global multi-platform factual content production company 360 Production pioneered the popular YouTube channel Head Squeeze. Founded by John Farren in 2009, 360 Production is a multi-platform factual content production company. Its productions have been broadcast in global markets and the company focuses on changing the shape of factual content, producing multi-platform content for television, mobile and online. Its clients have included: Channel 5, BBC One, BBC Two, BBC Four, BBC Worldwide, National Geographic, The Discovery Channel and YouTube. Its productions include: Rome: The World's First Superpower, Dig WWII, Dive WWII: Our Secret History and Factomania. With almost 340,000 subscribers in mid-2014, 360 Production's YouTube channel 'Head

Squeeze' is a definite hit. Covering current trends in science, technology and maths, presented with a fun and insightful focus, 30 minutes of original content is uploaded to the channel each week. Presenters include James May of Top Gear fame and Mark Champkins resident inventor at the Science Museum in London.

Purchased by Rare Television in 2014, media reports have outlined how Rare aims to acquire a number of other factual production companies in order to better position itself in the UK market and benefit from growing international demand for UK content. The move is also described as placing 360 Production in a more stable position to support its future growth and development (White, 2014a).



CASE STUDY –



James May presents Head Squeeze.

Image courtesy of 360 Production.

TABLE 2.1

Film and Broadcast companies
in the Honeycomb area
(Northern Ireland excluding
Belfast and greater Belfast)

5

Antrim (excluding Belfast and
greater Belfast)

3

Armagh

17

Down

17

Londonderry

4

Tyrone

46

TOTAL

2.1.1 THE HONEYCOMB ELIGIBLE AREA -
NORTHERN IRELAND (EXCLUDING BELFAST
AND GREATER BELFAST)

The Belfast area is a centre for film and broadcast productions in Northern Ireland. However outside of this centre, companies such as 360 Production (see case study page 16) and Dog Ears are also blazing a trail. Honeycomb compiled a database of film and broadcast companies in the eligible area of Northern Ireland. Sources of data included the FAME database, Yell.co.uk, the Filmscan directory, the Irish Film and Television Network website, local knowledge and web searches. The FAME database classifies companies based on their activities. This data showed that production activities dominated. Table 2.1 shows the number of companies contained in the Honeycomb database broken down by county.

Looking at distribution on the county level, companies appear concentrated in counties Down and Londonderry. Figure 2.1 highlights the also scattered nature of their distribution across Northern Ireland. The map also shows the general clustering of the industry in the Belfast and greater Belfast area, highlighted in amber.

There is also however a particularly notable concentration of 13 companies in Derry city (see Figure 2.2, page 24).

2.2 THE SECTOR IN THE REPUBLIC OF IRELAND

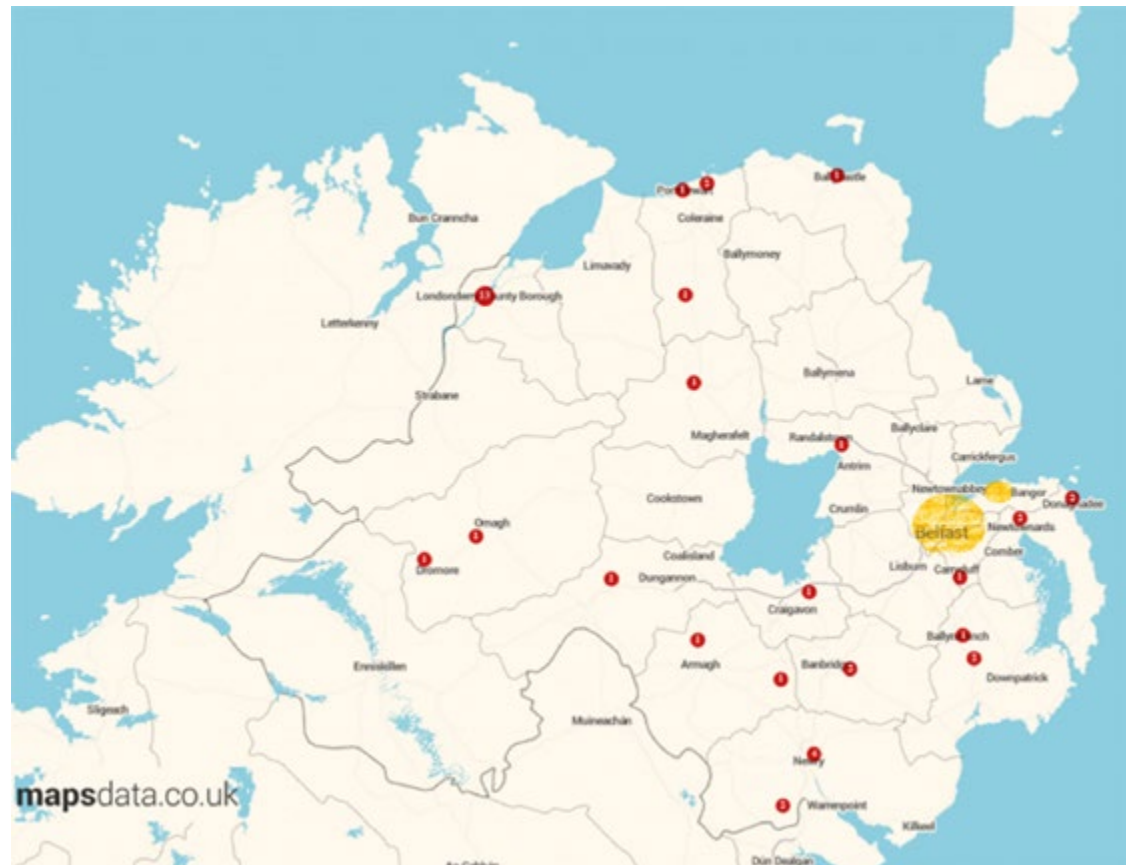
According to the Irish Film Board, the film, television and animation industry grew in 2013 and contributed €168 million to the Irish economy (IFB, 2013). The Audiovisual Federation's 2012 review of the sector also found it makes an overall positive contribution to the Irish economy. The review estimates the economic impact of feature film, independent television and animation (based on 264 audiovisual productions) and found the sector generated an output of €326.9 million, an increase from €243.3 in 2009. Looking at the figures in more detail, overall from 2009 to 2011 the production value of feature film and television drama dropped, however, animation increased significantly. Full-time jobs in the sector were estimated to increase from 1,721 in 2010 to 1,860 in 2011 (Audiovisual Federation, 2012). Other estimates put numbers employed in the sector at higher levels. The Irish Film Board (IFB) estimated over 6,000 full time jobs existed in the

FIGURE 2.1

Distribution of film and broadcast companies in Northern Ireland and national clusters

audiovisual industry 2012. IFB investment in film was €11.3 million in 2012 and this generated €75.7 million in the Irish economy through, for example, purchase of local services and employment (IFB, 2014a). Other economic estimates relating to this sector include PwC's report on the value of the public service broadcaster (PSB) RTÉ to the Irish economy. Its overall contribution to the Irish economy was estimated at €384 million in 2011, while licence fee revenue received was €184 million. It supported 3,538 full time jobs and directly employed 1,934 people. Socio-economic benefits highlighted include its support of the wider creative economy such as employing actors and commissioning productions with independent production companies (PwC, 2013b).

Creative Capital presents a strategy to develop the audiovisual sector in Ireland over a five year period. The report was prepared by the Audiovisual Strategic Review Steering Group in 2011 and presented to the Minster for Arts Heritage and the Gaeltacht for examination of the feasibility of its adoption. Creative Capital notes the vibrancy of the sector in Ireland and its future growth potential through domestic and international production, development of export





Craft Master broadcast on RTÉ and produced by Big Mountain Productions. Image courtesy of Big Mountain Productions.

potential, developing high end skills and increasing demand for domestic content. Implementation of its recommendations is ongoing. Significant developments include the extension of Section 481 to 2020, with a change to a tax credit model from a tax investor model, commencing in January 2015. The strategy is also referenced in the Irish Government's Action Plan for Jobs, showing recognition of the industry's potential to contribute to Ireland's economy recovery (DAHG, 2014).

Ireland's film and television sector has been a resilient sector since Ireland's economic downturn. Counties Dublin and Wicklow have attracted international productions, such as Vikings, The Tudors and Ripper Street. The broader cultural and natural landscape is also an asset for attracting film and television productions. For example released in 2014, Jimmy's Hall focuses on Irish socialist Jimmy Gralton and was filmed in counties Sligo and Leitrim. The plot of the black comedy Calvary is focused around a priest and his parish and was filmed in Sligo and Dublin (Cronin, 2013; IFB, 2014b). The sitcom Moone Boy, produced for Sky by Grand Pictures, centres on a young boy growing up in county Roscommon. It is filmed in the county as well as at Ardmore

Studios in county Wicklow (Ardmore Studios, 2013). The animation sector is also growing increasingly successful. For example the animated film *The Secret of Kells*, co-produced by ViVi Film and Les Armateurs in France and *Cartoon Saloon* in Ireland, was nominated in the best animated feature category at the 2010 academy awards (IFB, 2014b). The quality of Irish film and animation is evidenced by its presence at international film festivals, such as Sundance, the BFI London Film Festival and the Annecy Film Festival (IFB, 2014a). Tax incentives have played an important part in stimulating the industry in Ireland. Section 481 is the tax incentive scheme for film, television drama, animation and creative documentary in Ireland. An additional tax credit scheme is also due to be introduced in 2015 (IFB, 2014b).

Ireland's capital is a centre for the sector. Companies located in Dublin include Element Pictures, Screentime Shinawil, Grand Pictures and Brown Bag Films. Located next to Dublin, Wicklow has long been a centre of production due to its Ardmore Studios and more recently Ashford Studios. The regional significance of the film and broadcast sector has also been highlighted. Research based in Ireland's western region has shown that the sector (including video,

film, photography, radio and television) made up 8% of creative sector businesses in the western region, 16% of direct employment and 15% of direct turnover (Oxford Economics, 2008). The Irish language broadcaster TG4 is located in Galway city in the west of Ireland. Galway is a regional centre of significance with companies such as Telegael, Abú Media and Magma Films located there. Galway submitted a bid to UNESCO in 2013 to become a UNESCO City of Film (Film Ireland, 2013).

2.2.1 THE HONEYCOMB ELIGIBLE AREA –
REPUBLIC OF IRELAND BORDER COUNTIES

In the Republic of Ireland, film and broadcast clusters of significance exist in Dublin, Galway and Wicklow. However, film and broadcast activities in the Honeycomb eligible area of the Republic of Ireland are few but notable, such as the internationally successful company Big Mountain Productions (see case study, page 22). A small film and broadcast cluster is also developing in the Sligo-Leitrim area. Honeycomb compiled a database of film and broadcast companies in the eligible area of the Republic of Ireland. Sources of data included the FAME database, the Irish Film and Television Network website, Solocheck.ie, the Filmscan

TABLE 2.2

Film and Broadcast companies
in the border counties:
Republic of Ireland

14

Donegal

6

Leitrim

11

Sligo

8

Cavan

5

Monaghan

15

Louth

59

TOTAL

Big Mountain Productions

bigmountainproductions.com

A greater presence in international markets provides a key opportunity to expand the film and broadcast sector. Big Mountain Productions is a success story in licensing formats in the American TV market.

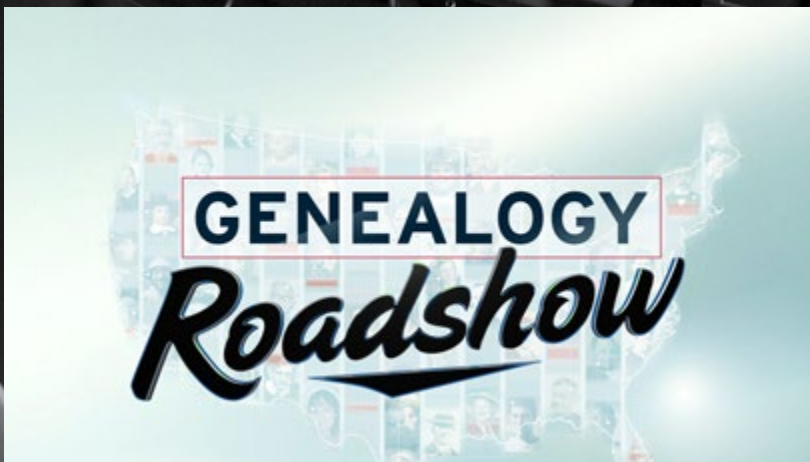
The Dundalk, Newry and London based award-winning Big Mountain Productions produces original formats for all broadcast platforms. The company has worked with broadcasters including: RTÉ, TG4, BBC, Sky, Channel 4 and Channel 5. Increasingly the company is working with its American partners on shows for that market. Productions include The Genealogy Roadshow, Craft Master, Who Knows Ireland Best, The Big House and The Tenements. Jane Kelly, creative director at Big Mountain said: "Content is king. There will always be a demand for content. As human beings we will always need to be entertained. It is part of our DNA".

The Genealogy Roadshow helps people discover their family history, looking for answers to unanswered questions about their past. The format has been licensed for broadcast in America, produced for PBS by Krasnow Productions and began broadcast in late 2013 (TV Blog, 2013). Kelly said: "It started off as a one-off documentary for BBC Northern Ireland. We took the concept to RTÉ and did a pilot and they commissioned a series. We were involved in an international programme run by The Research Centre in Glasgow that was aimed specifically at getting British companies into America. We sold the show into America and it is now in its second series

on PBS. The second series aired in Ireland and we are in discussions about further series." Broadcast magazine described the development as: "one of the most notable deals involving an Irish indie receiving a commission in the US" (White, 2013).

Big Mountain also hopes to follow a similar path with its other format creations. For example the company launched its Craft Master format at the 2014 Realscreen Summit in Washington DC (White, 2014b). The format was received with great interest from American networks.

CASE STUDY –



Genealogy Roadshow branding from Ireland and America. Images courtesy of Big Mountain Productions.

FIGURE 2.2

Derry city cluster



directory, local knowledge and web searches. In terms of the type of companies making up the sector, according to FAME and Solocheck data, production activities dominate. Table 2.2 (see page 21) shows the number of companies contained in the Honeycomb database per county.

On the county level, Donegal and Louth have the highest number of companies. Figure 2.3 (see page 26) shows the general geographic distribution of companies, which display a pattern of clustering around urban centres. The map also displays broader clusters on the national level, which are highlighted in amber. The Sligo/Leitrim area also displays a cluster of 10 companies. Companies are also clustered around Letterkenny (six), Cavan (six), Dundalk (seven) and Drogheda (nine).

2.3 THE SECTOR IN SCOTLAND

DC Research, Cogentsi and Pirnie Ltd's (2012) economic assessment of arts and creative industries in Scotland found this sector employed 84,400 directly and had a GVA of £3.7 billion in 2010. The economic assessment also found that the film and

A profile of the film and broadcast sector

video industry employed 3,500 directly and had a GVA of £120 million. Radio and television employed 3,500 directly and had a GVA of £400 million. In 2010 there were 5,170 creative industry business units in Scotland, representing 4.8% the UK total. 440 of these business units were in video, film and photography and 320 in television and radio. The industry is, however, concentrated geographically in Glasgow and Edinburgh, where 40% of employment was located at this time. By comparison, six council areas on the western seaboard of Scotland combined (Highland, North Ayrshire, Argyll and Bute, Dumfries and Galloway, East Ayrshire and South Ayrshire) accounted for just 5.8% of employment in creative industries.

Creative Scotland, the Scottish national development agency for arts, screen and creative industries, aims to support Scotland as a distinctive and strong place for these industries connected to the world, with excellence and experimentation recognised and valued (Creative Scotland, 2014c). A vision for the future of film in Scotland is presented in the 2014 review of the sector commissioned by Creative Scotland and this will inform Creative Scotland's film



Scene from the short film *Time to be Sleeping* produced by Big Box Network. Image courtesy of Big Box Network.

FIGURE 2.3

Distribution of film and broadcast companies - Republic of Ireland border counties and national clusters



strategy up to 2017 (Creative Scotland, 2014a). In 10 years, the vision is that Scottish film increases its production output across a range of genres, which is celebrated nationally and renowned internationally because of increased audience exposure. The vision includes greater incentivisation to encourage more film production in Scotland, increased market visibility through for example online platforms, development of marketing opportunities for low budget productions and skills development centred on better co-ordination between education and industry needs (BOP Consulting, 2014).

UK tax relief is also important to attract and stimulate the industry in Scotland. Tax advantages have been cited as important in attracting the science fiction series *Outlander* to Scotland, which is based on Diana Gabaldon's novels (Savage, 2013). Scotland does not currently have a major studio facility and the industry has lobbied for the development of a facility (Wade, 2014). The Scottish landscape is also an asset in assisting the development of the film industry. The animated Disney Pixar film *Brave* is set in Scotland and Pixar's animators visited Scotland to gain inspiration from the landscape (Visit Scotland, 2014).

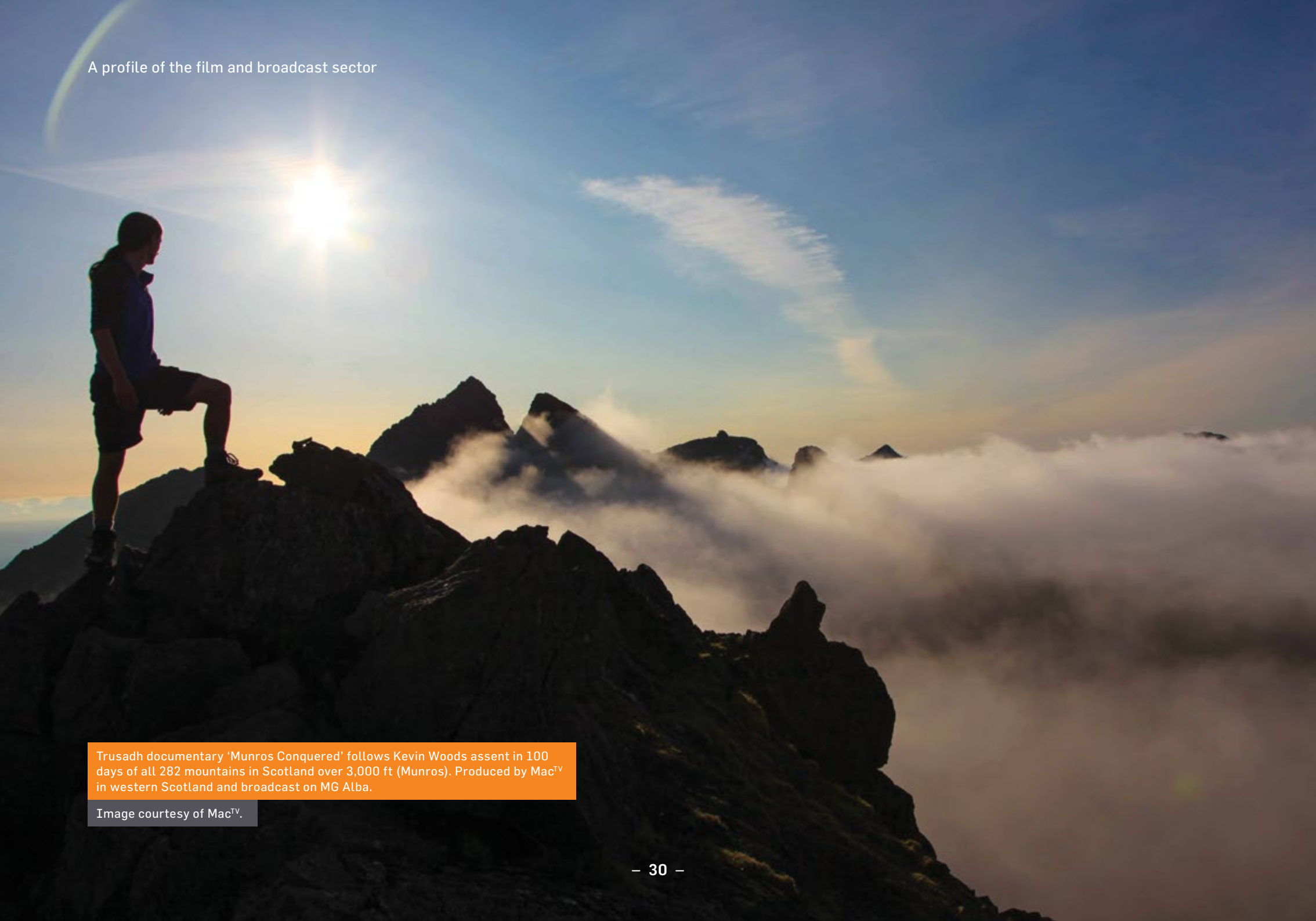
FIGURE 2.4

Distribution of film and broadcast companies- western seaboard of Scotland and national clusters

A number of films have shot scenes in Lochaber in western Scotland, such as the James Bond film Skyfall. The Glenfinnan viaduct has been used in Harry Potter films (BBC News, 2013; HP Supporters, 2014). Research commissioned by Scottish Enterprise and carried out by EKOS (2014) found opportunity in Scotland for the development of a studio facility because of the growth in international production activity. The research found that a studio facility should be targeted at high end television production and medium to high budget film, but also catering for indigenous productions. A public private partnership could fund its development and give Scotland the potential to attract big budget productions (Wade, 2014).

Described as a 'tale of two cities' by Broadcast magazine, Scotland's film and broadcast sector is presently clustered in the cities of Glasgow and Edinburgh. In particular, drama production has been strong, with productions such as Waterloo Road produced by Glasgow-based Shed Productions (Deanie, 2011). The industry in Glasgow city is supported by the Creative Clyde initiative aiming to generate a creative industries hub in the area close





Trusadh documentary 'Munros Conquered' follows Kevin Woods ascent in 100 days of all 282 mountains in Scotland over 3,000 ft (Munros). Produced by MacTV in western Scotland and broadcast on MG Alba.

Image courtesy of MacTV.

to the river Clyde. Film and broadcast companies such as Raise the Roof Productions and Shed Media are located in this part of the city. Film City Glasgow is also located here, providing production and post-production facilities (Creative Clyde, 2014). In Edinburgh, the Edinburgh International Film Festival is renowned internationally and production companies in the city include Skyline Productions and Greenroom Films.

2.3.1 THE HONEYCOMB ELIGIBLE AREA
– WESTERN SEABOARD OF SCOTLAND

While the Scottish film and broadcast industry is concentrated in city clusters, it also has an important presence in the Honeycomb eligible area of western Scotland. Honeycomb compiled a database of film and broadcast companies in the eligible area of western Scotland. Sources of data included the FAME database, Yell.co.uk, the Film Bang directory, local knowledge and web searches. Again, the FAME data shows production activities dominate.

Table 2.3 shows the number of companies contained in the Honeycomb database per district. Figure 2.4 (see page 27) depicts the geographic distribution of companies along the western seaboard of Scotland, showing how companies concentrate in the south-west. The map also displays broader clusters on the national level, highlighted in amber.

TABLE 2.3

Film and Broadcast companies:
Western Seaboard of Scotland
NUTS III areas/ districts

15
Lochaber, Skye and Lochlash,
Arran and Cumbrae, Argyll
and Bute

11
Ayrshire

8
Dumfries and Galloway

34
TOTAL

Big Box Network

bigboxnetwork.com



The young company working to catalyse the film industry on the edge of Scotland

Practice-based learning develops skills that are difficult to teach in the classroom. Big Box Network works to provide opportunities for emerging talent to develop. It has made films focusing on local stories in the far north of Scotland. Its first was the short film, *Time to be Sleeping*, which launched in 2012. This was followed by *The Game* in 2013. *Time to be Sleeping* has been described as “beautifully shot” by Amanda Millen, director of the GoNorth creative industries festival in Inverness. The film was shot on the mile long Stroma Island, north of Caithness.

The company is developing slowly and this is a strategic approach. Alistair Murray, Big Box producer explains: “We have deliberately kept it slow at the start to try and build a community around us. We are

essentially trying to catalyse an industry as well as a business.” Big Box aims to make use of local talent and has screened its films at festivals and events that support production companies to build their reputation. *The Game* was screened at the Edinburgh Fringe Festival and *Time to be Sleeping* at GoNorth and local arts centres. Murray explains: “We have focused initially on a number of shorts, and why we’re doing it this way is to introduce actors that haven’t been on screen before or new cast that haven’t done anything behind a camera from a low cost base. So we are gradually, bit by bit, growing our own supply chain. We’ve already found people that are starting to write that we think can do it professionally, and we’ve already found acting talent that we think are good enough and have developed enough with us so that

we can cast them in our first feature film that we are planning to finance and shoot next year”.

The Big Box approach helps to catalyse and develop the local industry, and should ultimately provide financial benefits for the company reaped from developing a local pool of skilled people. Murray explains: “We can budget and do something a lot cheaper up here, rather than if we had to take a whole cast and crew up”. Murray compares the approach to a loss leader strategy: “The loss leading work that we are doing now in our local community will come back to us down the line.” Big Box has a number of films in the pipeline and is currently applying for Enterprise Investment Scheme (EIS) status before moving to make its first feature, *Sisters Curse*.

CASE STUDY –



Poster and scenes from short film The Game produced by Big Box Network

Image courtesy of Big Box Network.

2.4 THE FILM AND BROADCAST SECTOR IN THE HONEYCOMB ELIGIBLE AREA

The following profile of the film and broadcast sector across the Honeycomb eligible area is based on the Honeycomb survey findings.

2.4.1 STRUCTURE

In the project area, most of those surveyed classified themselves as limited companies (34%), closely followed by sole traders (31%). Freelancers (23%) also made-up a significant portion of those surveyed and partnerships made up just 4% (see Figure 2.5). Other types of organisation made up 8%, and included voluntary organisations, charitable non-governmental organisations, social enterprises and being part of a council.

The majority of companies (66%) surveyed in the eligible area were 15 years or less in operation, with the remainder (34%) between 16 and 40 years in operation. Figure 2.6 displays how companies range in age, but notably just 2% were between 31 and 40 years trading. None of the companies surveyed were longer established than this.

2.4.2 TURNOVER AND DISTRIBUTION OF SALES

Overall in the eligible area most companies surveyed had turnover of up to £50,000 in Northern Ireland, of up to £150,000 in western Scotland and up to €50,000 in the Republic of Ireland border counties. The turnover and distribution of sales of companies in each of the eligible areas are presented in sections 2.5.2, 2.6.2 and 2.7.2. The overall results on the distribution of sales outside of the Honeycomb eligible area illustrate how domestic markets are relied upon:

- A high 79% said that they had no sales in markets in England and Wales. Just 6% said between 1% and 10% of their sales and the remaining 15% said between 15% and 75% of their sales were in England and Wales.
- 88% said they had no sales in other EU countries. Up to 10% of their sales were in other EU countries for 3%, 6% said 50% of their sales were in other EU countries and 2% said between 98% and 100% of their sales were in other EU countries.
- 94% said they had no sales in North America, 3% said between 5% and 10% of their sales were in North America, 1% said 30% of their sales were in North America and 1% said 60% of their sales were in North America.

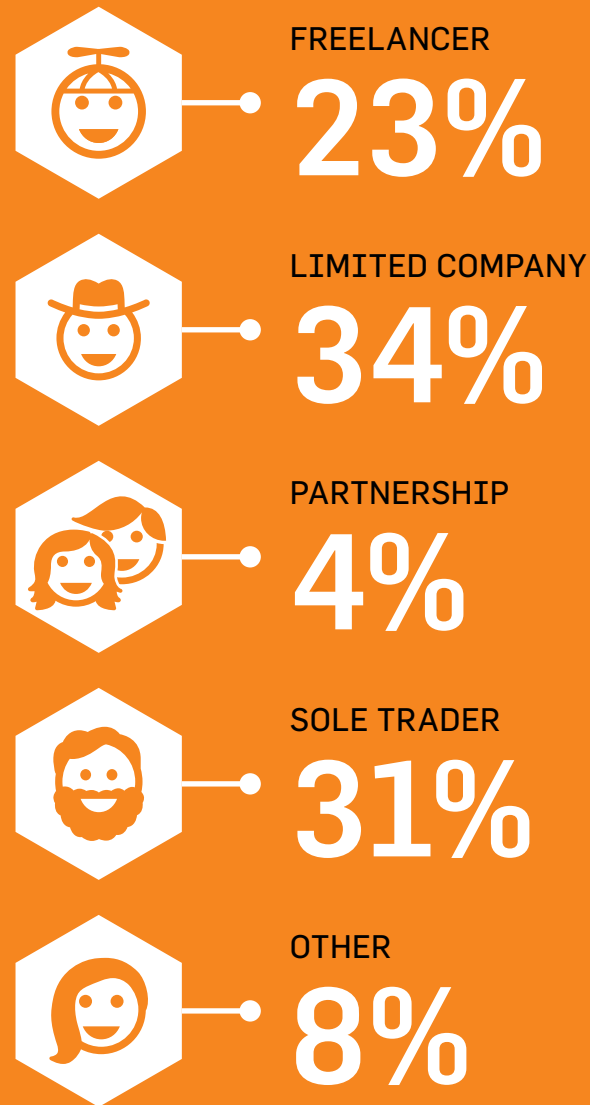
- 99% said they had no sales in Asian markets, and just 1% said 15% of their sales were in Asian markets.
- In all other regions, 96% said they had no sales in other regions, while 2% said 10% and 1% said 20% of their sales were in other regions.

2.4.3 EMPLOYMENT AND VACANCIES

The structure of employment in the film and broadcast sector was also examined as part of the Honeycomb survey. Overall, most companies employed one or two staff on a full-time basis and 49% used freelancers. Most companies had between zero and two employees. Part-time work was not significant either, with 74% having no part-time employees. While 51% used no freelancers, 34% used between one and five, 11% used between six and 10 and 4% used between 15 and 48 freelancers (see Figures 2.7, 2.8, 2.9). The use of volunteers was uncommon, with 93% not using any volunteers. The remaining 7% used between four and 75 volunteers.

FIGURE 2.5

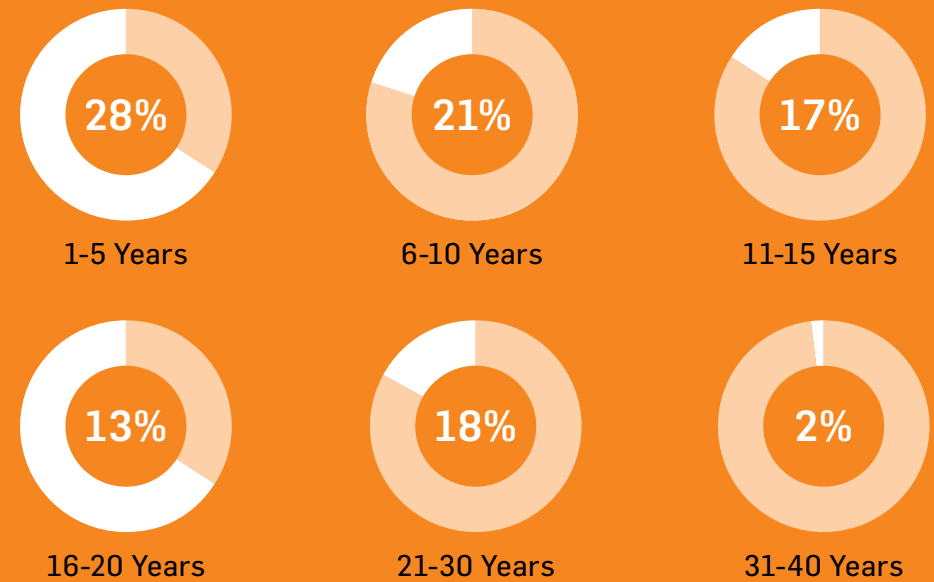
Types of organisations



BASE: 84 RESPONDENTS

FIGURE 2.6

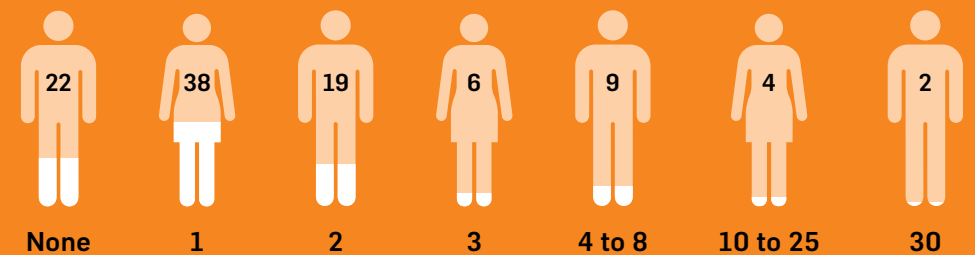
Length of time trading (%)



BASE: 82 RESPONDENTS

FIGURE 2.7

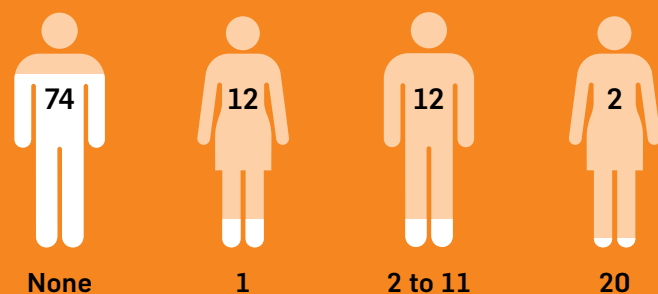
Number of full time employees (%)



BASE: 84 RESPONDENTS

FIGURE 2.8

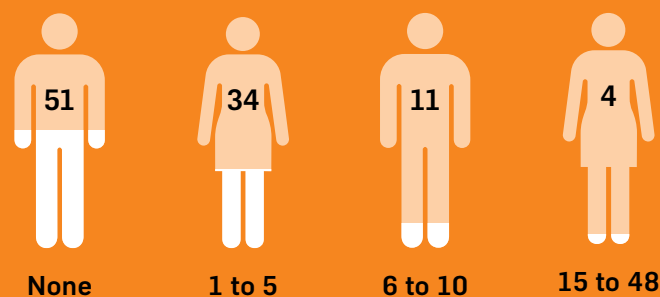
Number of part-time employees (%)



BASE: 84 RESPONDENTS

FIGURE 2.9

Number of freelancers (%)





BASE: 84 RESPONDENTS

Freelancers can be understood as “the lifeblood of the creative industries, it is like being a builder, you do the work as you get it” (Judy Wilson, production manager, 360 Productions, Northern Ireland). Benefits to companies using freelancers include access to skills needed in the short-term and freelance workers do not have the same costs attached as employing people full-time. For example: “We would certainly like to employ people when we get to a certain size and scale, but if you are working on a project by project basis you also need flexibility” (Alistair Murray, producer, Big Box Network, Scotland). Providing full-time employment may not make economic sense for companies, for example: “At one stage ...we had two permanent camera crews we tried to employ, that was a financial disaster; we didn't have enough work for them (Production company one, Honeycomb eligible area). Competition for specific skilled freelancers also exists, which can present a challenge for companies acquiring the skills they need. For example: “The only real drawback is that your preferred freelancers wouldn't be available when you want them” (Judy Wilson, production manager, 360 Productions, Northern Ireland). Production companies were identified to have an awareness and empathy with the issue of employment insecurity

A profile of the film and broadcast sector

for freelancers. For example: "It is important that freelancers get a range of work from different people in the sector. They need to be well paid because they are like footballers, their career might be short-lived or at least they won't get employed full-time" (Production company one, Honeycomb eligible area). Production companies were also identified as looking to ways to overcome these issues, such as working to provide more stable employment, or developing relationships with other companies to tap into their freelancer base.

The Honeycomb survey found that job vacancies were overall not hard to fill in this sector. Just over three quarters (76%) said vacancies were not hard to fill. Just under a quarter said vacancies were hard to fill (24%) and understanding which particular occupations these were is important. A quarter (25%) said both editing and production manager vacancies were hard to fill. Vacancies where camera skills were required were found difficult to fill by 15% and sound engineer positions by 10%. A number of other vacancies were also highlighted as difficult to fill by 5% of film and broadcast companies which were: sales executives, freelance model/prop makers, advertising programmers, radio presenters,



John had spoken to Dog Ears...they use graphic artists, we use graphic artists...to see if we could maintain the same pool of graphic artists, that if 360 didn't have any work for them Dog Ears might have something... We try to have continual employment. We have a cameraman, director and an editor who works with us in 360 and when he has downtime he tries to work with Alleycats, the same with graphic artists and editors, we do try and maintain work by sharing it across other companies.

Judy Wilson, production manager, 360 Productions, Northern Ireland

FIGURE 2.10

Nature of assistance received



BASE: 35 RESPONDENTS

journalists, audio mastering technicians, grips, electricians and those with skills in multimedia, motion graphics, boom swinging and Gaelic language. Across the three eligible areas, vacancies requiring editing skills were cited as an area that vacancies were hard to fill. Both in the Republic of Ireland and western Scotland vacancies requiring sound engineering skills were cited as difficult to fill. Both in Northern Ireland and western Scotland vacancies requiring production management skills were cited as hard to fill.

2.4.4 GOVERNMENT ASSISTANCE

Overall, assistance from a government department or agency to assist business growth was received by 42%, while 58% had not received such assistance. The nature of assistance received was also examined and assistance was in the form of a loan in most cases (77%), followed by assistance received with marketing (34%) (see Figure 2.10). Other types of assistance were cited by 6% of companies and included the receipt of a grant.

Interest in different kinds of events and programmes to support business development was also assessed (see Table 2.4). Interest was highest in networking events, followed by trade events and funding workshops. The events and programmes that emerged of least interest were participating in a sales programme and a showcase conference.

Interviews with industry also revealed that more specific types of funds can offer support at pivotal stages of development. The importance of start-up funding was highlighted. For example:

 *A big boost for me in the last year was from the Western Development Commission. I have been able to get a development loan. There is a lack of seed finance, I'd say we are starved of seed funding. We have got really good projects but there is a lack of seed money."*

Johnny Gogan, Bandit Films,
border counties Republic of Ireland.

TABLE 2.4
Interest in support events and programmes

	NOT INTERESTED	FAIRLY INTERESTED	VERY INTERESTED
TRADE EVENTS	21%	64%	14%
NETWORKING EVENTS	11%	68%	21%
INTERNATIONAL EVENTS	42%	40%	18%
SHOWCASE CONFERENCE	62%	29%	10%
JOINT TENDERING WORKSHOP	50%	31%	19%
SALES PROGRAMME	74%	18%	8%
PRODUCT DEVELOPMENT SUPPORT	48%	40%	12%
ACCESS TO ACADEMIC INSTITUTIONS	33%	46%	20%
ONLINE PROGRAMMES	50%	39%	11%
FUNDING WORKSHOPS	25%	31%	44%

BASE: 84 RESPONDENTS



My first novel was called Vampire Dawn and whenever the whole Twilight thing happened I thought Northern Ireland should have a vampire movie out there so I adapted it into a screenplay and sent it to Northern Ireland Screen and they put it through their development process and this guy gave me great notes on it and we did a re-write and a re-write and it went through the whole development process until he said to me this is good to go, and the head of Northern Ireland Screen read it and he said this is good to go and I said right, where do we go? No production companies will read it unless it comes through an agent, and I haven't got an agent and it is impossible to get one at the minute because nobody is taking on, nobody wants to take a chance. It would be one thing if they read it and said it's no good, but they won't even read it which is the really frustrating thing. There is nowhere to go after you have the script knocked in to shape.

Philip Henry, Coral Moon Productions, Northern Ireland

A profile of the film and broadcast sector

Support for particular purposes assisting young companies to develop was also an issue identified. Philip Henry of Coral Moon Productions based in Northern Ireland describes how he received good agency support for script development, but assistance in taking the script to the next level was lacking.

Newly emerging companies highlight how funding of a particular design to assist with achieving particular aims can be very beneficial. For example, Northern Ireland Screen assisted Philip Henry with match funding to produce the Northern Ireland based feature film *Noirland*. However, now that the film is made a challenge exists to raise finance to market the film nationally and internationally:



It's getting out there. How do you get your name out there and draw attention to yourself when there are millions of other videos on YouTube. How do you get seen?"

Philip Henry, Coral Moon Productions,
Northern Ireland.

Dog Ears, the children's media company based in Derry city, Northern Ireland, provides a good example of how particular funds were used with key purposes in mind. Laura Campbell, editorial director with Dog Ears explains how there is a need for greater funding to assist pitching and networking. Campbell describes how Dog Ears made use of a number of funding schemes, such as from Invest NI, the Arts Council (Creative Innovation Fund) and Northern Ireland Screen (Product Development Fund), to develop pitch materials and attend conferences with opportunities to pitch. Campbell explains that doing this would not have been possible without funding:



It is extremely expensive to attend international conferences and create pitch materials. Without financial assistance, we just wouldn't be able to do it. Typically, a 'sales' bible and a script for a new animated show will cost in the region of £5,000. Any money we receive from NI Screen is paid back if the show goes into production - so it helps with cash flow, essentially, and that's crucial for a new company."

Laura Campbell, editorial director, Dog Ears,
Northern Ireland.

In the case of the Northern Ireland Screen Product Development Fund, this fund intends to assist the production of pitching and pilot materials to then potentially attract further investment to fully develop the production, thereby assisting company development. Northern Ireland Screen receives a return on their investment if the production is successful. This fund was, however, not as successful as Northern Ireland Screen had hoped, as reported in its 2009-10 annual review (Northern Ireland Screen, 2011).

The nature of funding assistance and support programmes, as well as how they are developed and delivered, was an issue emerging from the film and broadcast industry interviews. Funding that focuses on productions of potentially high commercial value could assist growth. For example:



There is Gaelic money around to do things in film and TV, but not it seems in non-Gaelic. Someone told me that many people are coming out of screenwriting courses in Scotland and then the first thing they are doing is signing onto Gaelic language courses because that is the only place they can get work. Personally I have no problem with Gaelic or any

culture with a voice to be heard, but I do have a problem with funding imbalances because the current investment system, if revised, could result in many more people in the creative industries moving forward or even staying in the creative industries, and for rural and fragile regions this is a sector that can work."

Alistair Murray, Producer, Big Box Network, Scotland.

While the industry acknowledges that a level of engagement between policymaking and practitioners exists, the extent and nature of this may need to change. For example Johnny Gogan of Bandit Films based in the Republic of Ireland explains: "We need a level of engagement that is not happening presently and the practitioners need to drive policy." The issue also emerged in Northern Ireland, as the following comments from Laura Campbell, editorial director with Dog Ears, relating to funding help to further illustrate:



Funding structures need to work for industry. This means we must have regular consultation between funders and production companies. Funders need to acquire a better understanding of the huge challenges companies face in getting finance together, to produce and sell content internationally. Funders and policymakers also need to consult with each other to ensure best practice and make the application and draw-down process much more efficient and straight-forward. Funding structures need to support business - not be mired in red tape and extremely onerous rules."

Creative Scotland recently announced simplification of its funding model, implementing three main funding programmes from October 2014 to simplify the process for organisations and individuals (Creative Scotland, 2014b).

2.4.5 KEY PATTERNS

- General patterns in the structure of sector identified were young companies with a low turnover and with few employees.
- The use of freelancers was a significant pattern identified. Skilled freelancers are in particular demand.
- Domestic markets are the key focus of sales signalling that export development and expansion into international markets is a potential area for future growth.
- Assistance received from agencies or government was most often financial in the form of a loan. Seed funding and funding for particular purposes (such as for developing pitch materials or to attend international conferences), especially for young companies, emerged as important in the research interviews.
- The need for greater industry consultation in the development and delivery of support programmes appears needed so they work to best serve industry needs and better facilitate industry development.

2.5 NORTHERN IRELAND (EXCLUDING BELFAST AND GREATER BELFAST)

2.5.1 STRUCTURE

Freelancers were the most dominant type of film and broadcast business in Northern Ireland making up 41% of those surveyed. This was followed by sole traders (29%) and limited companies (18%). When the regions are compared, the use of freelancers in the film and broadcast sector was greatest in Northern Ireland. Another notable pattern was that limited companies were lowest in Northern Ireland, when compared with the other Honeycomb regions. Businesses trading in the film and broadcast sector in Northern Ireland varied in age, from young to longer established businesses (see Figure 2.12).

FIGURE 2.11

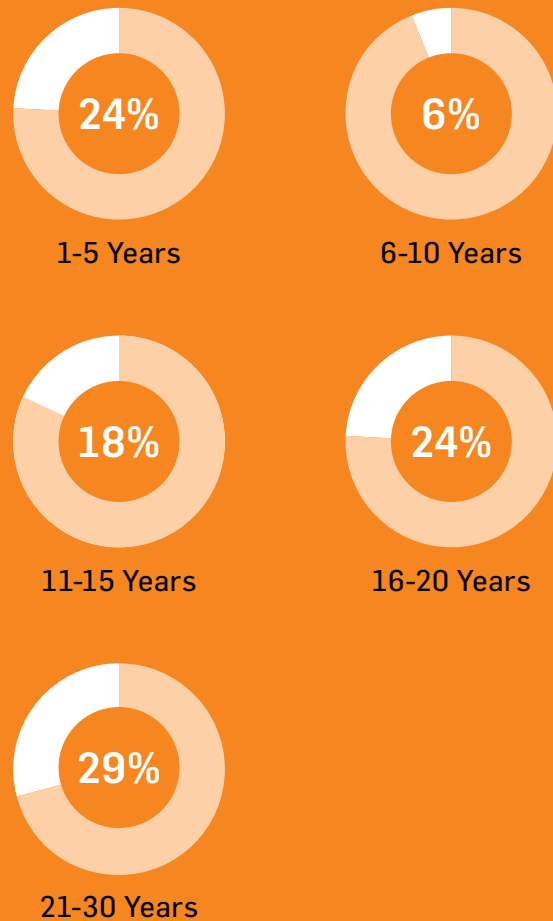
Types of organisations
Northern Ireland
(excluding Belfast & greater Belfast)



BASE: 17 RESPONDENTS

FIGURE 2.12

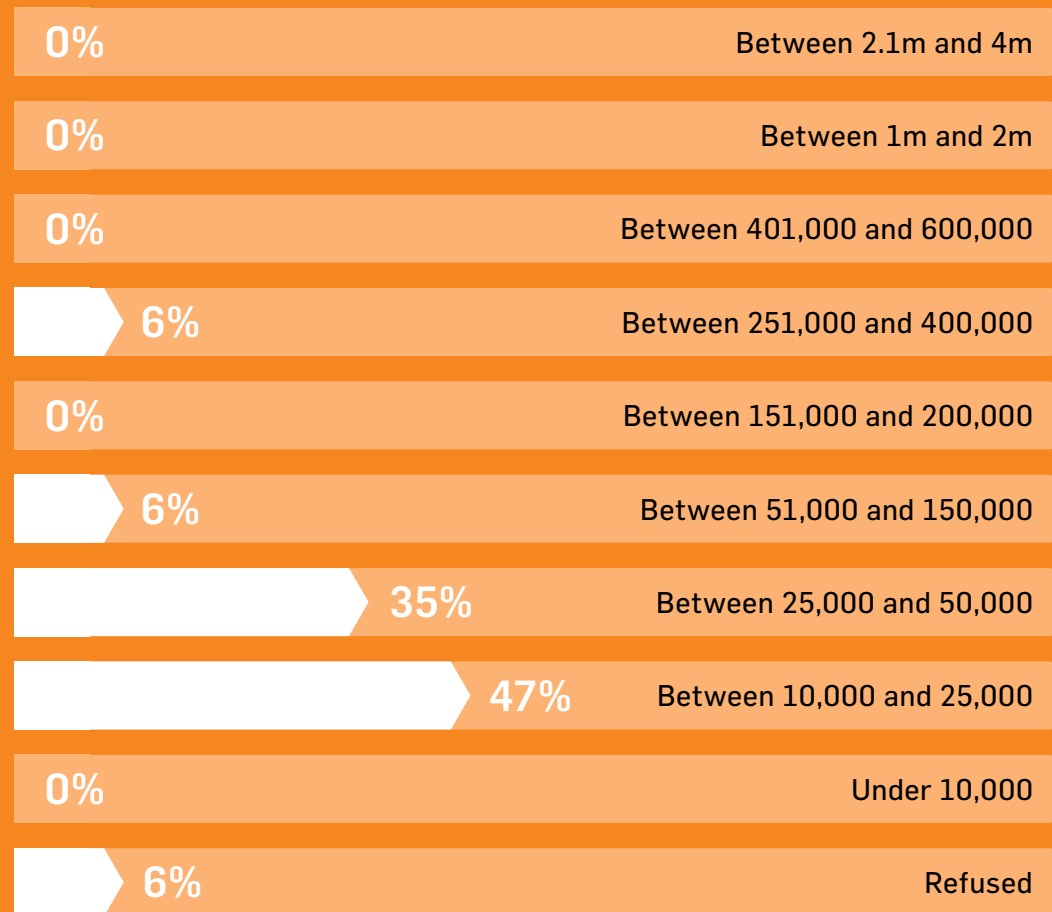
Length of time trading (%)
Northern Ireland
(excluding Belfast & greater Belfast)



BASE: 17 RESPONDENTS

FIGURE 2.13

Film and broadcast Northern Ireland (Excluding Belfast and Greater Belfast) annual turnover last accounting year (£)



BASE: 17 RESPONDENTS

2.5.2 TURNOVER AND DISTRIBUTION OF SALES

Most of the film and broadcast companies surveyed in Northern Ireland had a turnover of between £10,000 and £50,000 (see Figure 2.13). The Honeycomb survey found the main market for the film and broadcast sector based the eligible area of Northern Ireland was Northern Ireland itself, which the survey results below further illustrate:

- 65% cited that between 80% and 100% of their sales were in Northern Ireland.
- 35% said between 30% and 50% of their sales were in Northern Ireland.
- 29% said they had some sales in the Republic of Ireland and England or Wales.
- 6% said they had some sales in Scotland and other EU countries.
- None had sales in North America, Asia or any other regions.

2.5.3 EMPLOYMENT AND VACANCIES

Most companies in the film and broadcast sector in Northern Ireland employed between one and two people (71%) on a full-time basis. In addition, 24% said they had no full-time employees. Part-time employment was not a significant trend, with 94% of Northern Ireland respondents stating they had no part-time employees. In relation to freelance employment, 59% had no freelance employees, however, 29% had between one and two freelance employees, and 12% between five and 10 freelance employees. Use of volunteers was not significant either, with 88% responding that they did not use any volunteers.

The majority (71%) agreed that job vacancies were not difficult to fill. However, 29% had vacancies that were hard to fill, which were vacancies requiring editing skills, production management, boom swinging and electricians.

2.5.4 GOVERNMENT ASSISTANCE

Relatively low levels of assistance from government departments or agencies were identified in Northern Ireland. Just over two thirds (76%) had not received assistance, while 24% had. The nature of this assistance was most often a loan. Support with marketing emerged as the second most common type of assistance received.

2.5.5 KEY PATTERNS

- General patterns in the structure of the Northern Ireland (excluding greater Belfast) film and broadcast sector identified were companies ranging in age, with a low turnover and few employees.
- Sales were concentrated in the domestic market.
- Freelancers were used by 41% of those surveyed and use of volunteers was uncommon.
- Relatively low levels of assistance from government departments or agencies were identified. Assistance received from agencies or government was most often financial in the form of a loan.

2.6 REPUBLIC OF IRELAND BORDER COUNTIES

2.6.1 STRUCTURE

Sole traders (35%) were the most dominant type of film and broadcast business in the border counties of the Republic of Ireland, but closely followed by freelancers (33%). Limited companies also made up a significant proportion of those surveyed at 22% (see Figure 2.14). Young businesses were dominant, with 61% trading for between one and 10 years (see Figure 2.15).

2.6.2 TURNOVER AND DISTRIBUTION OF SALES

Most of the film and broadcast companies surveyed in the Republic of Ireland had a turnover up to €50,000 (see Figure 2.16). The Honeycomb survey found the main market for the film and broadcast sector in this region was the Republic of Ireland itself, which the following results further illustrate:

- 70% cited that between 80% and 100% of their sales were in the Republic of Ireland, 25% said between 1% and 70% of their sales were in the Republic of Ireland and 5% said they had no sales in the Republic of Ireland.
- 32% said they had some sales in the Northern Ireland, 8% had some sales in England or Wales and just 3% said they had some sales in Scotland.
- 22% had sales in other EU countries.
- 11% had sales in North America, 3% had sales in Asia and 5% had sales in other regions.

2.6.3 EMPLOYMENT AND VACANCIES

The film and broadcast sector in the Honeycomb eligible areas of the Republic of Ireland and Northern Ireland share broad similarities in employment patterns in terms of full-time, part-time, freelance employees and the use of volunteers. Most companies in the film and broadcast sector in Republic of Ireland eligible area employed between one and two people (59%) on a full-time basis. In addition, 27% said they had no full-time employees. However a small proportion (5%) had between 25 and 30

full-time employees. Part-time employment was not a significant trend, with 78% of Republic of Ireland respondents stating they had no part-time employees. However a small proportion (5%) had 20 part-time employees and the remainder (16%) had between one and four part-time employees. In relation to freelance employment, 43% had no freelance employees, however, the remaining 57% had between one and eight freelance employees.

The majority (78%) agreed that job vacancies were not hard to fill. However 22% had vacancies that were hard to fill which were vacancies requiring editing skills and occupations such as sound engineers, sales executives, advertising programmers, production managers, radio presenters, journalists and audio mastering technicians.

2.6.4 GOVERNMENT ASSISTANCE

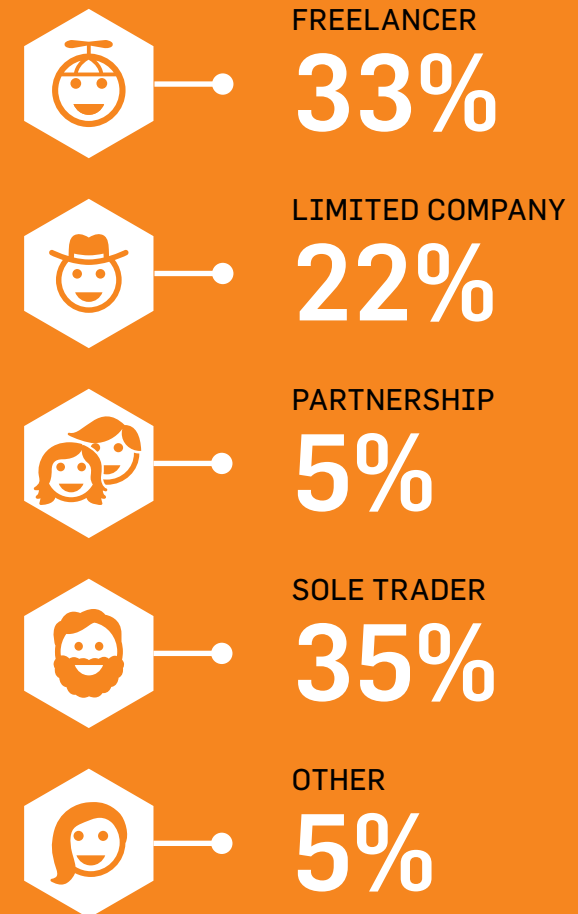
Assistance from a government department or agency to help grow their business was highest among respondents from the Republic of Ireland. Over half of respondents (54%) had received assistance, while just under a half (46%) had not. Again the most common form of assistance cited was a loan. Other types of assistance received included assistance with employment, mentoring, marketing and product development.

2.6.5 KEY PATTERNS

- General patterns identified in the sector's structure were there strong presence of young companies with a low turnover and few employees.
- Freelancers were used by 57% of those surveyed and use of volunteers was uncommon.
- Sales were concentrated in the domestic market.
- Over half of those surveyed had received government/state agency assistance and this assistance was most often financial in the form of a loan.

FIGURE 2.14

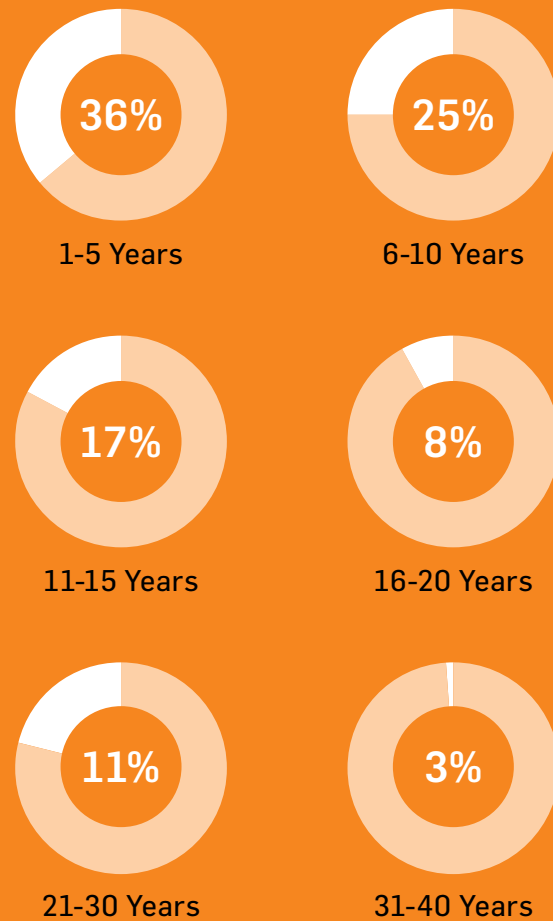
Types of organisations:
Republic of Ireland border counties



BASE: 37 RESPONDENTS

FIGURE 2.15

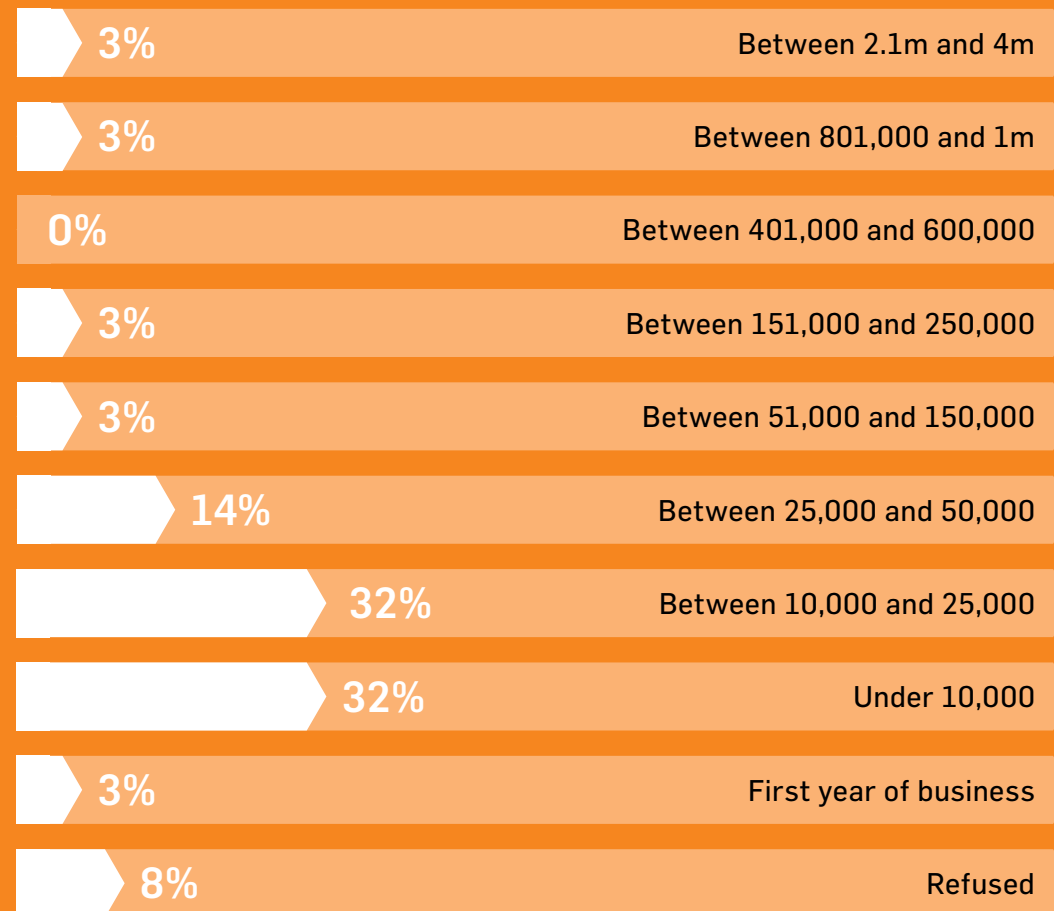
Length of time trading (%)
Republic of Ireland border counties



BASE: 36 RESPONDENTS

FIGURE 2.16

Film and broadcast sector Republic of Ireland border counties
- annual turnover last accounting year (€)



BASE: 37 RESPONDENTS

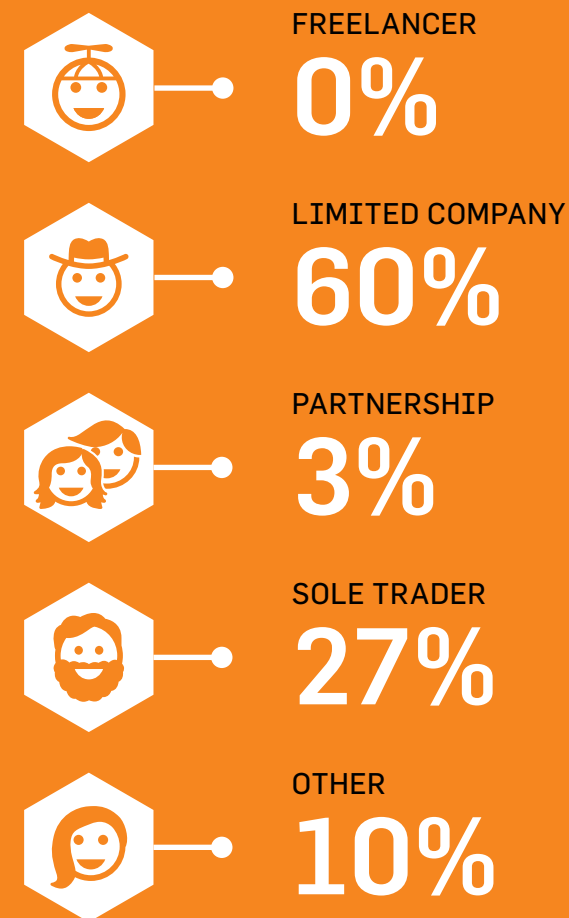
2.7 WESTERN SEABOARD OF SCOTLAND

2.7.1 STRUCTURE

The film and broadcast sector in the western Scotland eligible area was found to be dominated by limited companies, which made up 60% of those surveyed. Most of the remainder identified themselves as sole traders (see Figure 2.17). The dominance of limited companies and the absence of freelancers is a distinctive pattern identified when compared with the other Honeycomb regions, where freelancers were more dominant. Businesses trading in the film and broadcast sector in western Scotland included young and longer established businesses (see Figure 2.18). However a greater number of businesses were identified that were established between one and 15 years than 16 to 40 years.

FIGURE 2.17

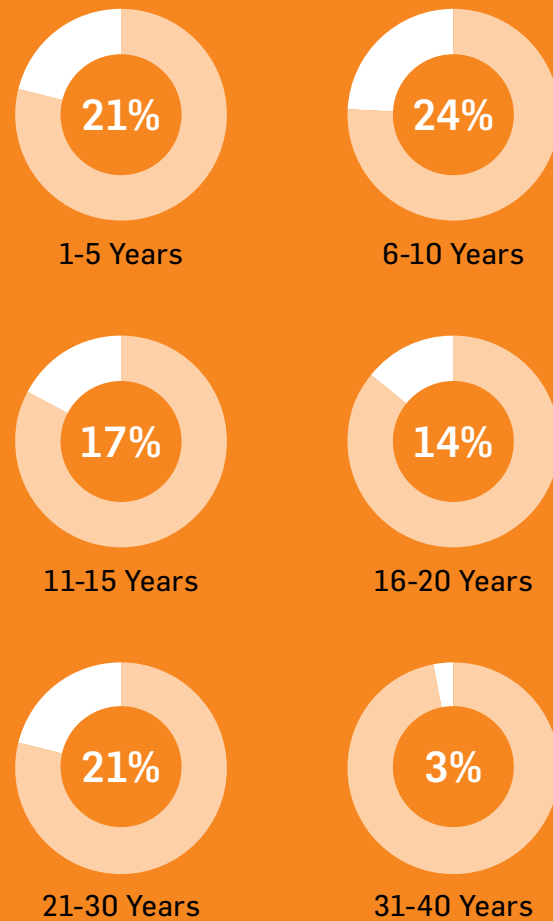
Types of organisations Western seaboard of Scotland



BASE: 30 RESPONDENTS

FIGURE 2.18

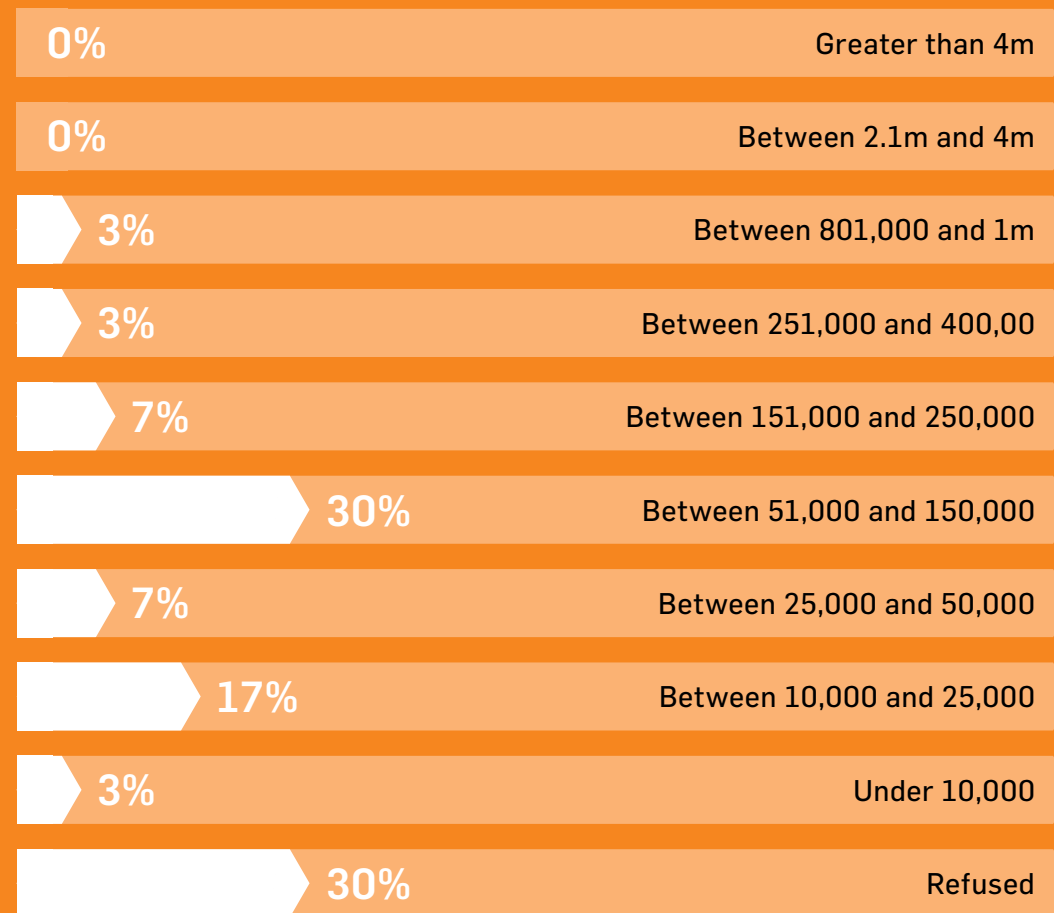
Length of time trading (%) Western seaboard of Scotland



BASE: 29 RESPONDENTS

FIGURE 2.19

Film and broadcast western seaboard of Scotland annual turnover last accounting year (£)



BASE: 30 RESPONDENTS

2.7.2 TURNOVER AND DISTRIBUTION OF SALES

Most of the film and broadcast companies surveyed in western Scotland had a turnover of between £10,000 and £150,000 (see Figure 2.19). The Honeycomb survey found the main market for the film and broadcast sector based in this eligible area was Scotland itself, which the following survey results help to illustrate:

- 77% cited that between 80% and 100% of their sales were in Scotland, 20% said between 20% and 70% of their sales were in Scotland and 3% said they had no sales in Scotland.
- 33% had some sales in England or Wales and 3% said they had some sales in Northern Ireland.
- 7% said they had some sales in the Republic of Ireland and 3% had some sales in other EU countries.
- 3% had sales in North America, none had sales in Asia and 3% had sales in other regions.

2.7.3 EMPLOYMENT AND VACANCIES

Differences were displayed in employment patterns in the Honeycomb eligible area of western Scotland as compared to the other Honeycomb areas. Numbers employed full-time, part-time and freelance was more varied. No full-time employees were employed by 13%, one was employed by 33%, between two and seven by 40%, between eight and 12 by 7% and between 15 and 30 by 7%. Part-time employment patterns were also more varied, with 57% having no part-time employees, but 23% had one part time employee and 20% between two and 11. In relation to freelance employment, 57% had no freelance employees, however 27% had between one and six and 17% had between 10 and 30 freelance employees. In similarity with the other regions, use of volunteers was not significant, with 90% responding that they did not use any volunteers.

The majority (77%) agreed that job vacancies were not hard to fill. However 23% had vacancies that were hard to fill which were vacancies requiring skills in camera work, editing, multimedia, motion graphics, Gaelic language and occupations such as sound engineers, production managers, prop makers and grips.

2.7.4 GOVERNMENT ASSISTANCE

Over a third of respondents (37%) had received assistance from a government department or agency to help grow their business, while 63% had not. The most common form of assistance was a loan, followed by assistance with marketing. Other assistance received was employment assistance, mentoring, product development or a start-up grant.

2.7.5 KEY PATTERNS

- General patterns in the structure of sector identified were companies ranging in age with a turnover of between £51,000 and £150,000 and with few employees.
- Freelancers were used by 43% of those surveyed and use of volunteers was uncommon.
- Sales were concentrated in the domestic market.
- Over a third had received assistance from agencies or government and this was most often financial in the form of a loan.

Skills gaps in the Honeycomb eligible area



This section assesses the skill gaps in the film and broadcast sector in Honeycomb eligible areas.

This is based on issues identified in the survey of film and broadcast companies, as well as interviews with industry in the eligible areas.

Section 3.2 focuses on the particular skills gaps in each of the eligible areas – Northern Ireland (excluding Belfast and greater Belfast), the Republic of Ireland border counties and the western seaboard of Scotland.

Industry interviews revealed some more fundamental, overarching challenges relating to skills development – the cost of up-skilling and the pace of change. The costs of skills training can be prohibitive to up-skilling. Also because of the pace of change, keeping up with technological change is important, which can also require learning new skills: “When the technology changes, usually helpfully, not always, people have to go on refresher courses” (Production company one, Honeycomb eligible area). The sector is one where there is a need for continual learning and this is costly. The industry is aware and acknowledges that support exists for skills development, but also sees the need for increased support. Training also needs to more closely tie-in with industry requirements. However, in an environment where change is fast, delivery of courses in areas of most need also is a challenge for educators.



There are a lot of courses offered in Final Cut Pro, and most editors are going back to Avid editing, they love the Avid system. And most production companies would, so I would be pushing for Avid editing, because Final Cut Pro is more for a consumer level rather than a professional level, it is easy to operate, but for the finesse, editors are going back to Avid. Courses run by Avid tend to be very expensive, around £1,200, so if there could be more funding put in to subsidise those courses.”

Judy Wilson, production manager, 360 Productions, Northern Ireland.



The constant availability of courses and maybe financial help for those courses... I mean you send somebody away on a course it is going to cost us a couple of thousand pounds. You know you have got their travel and you have got their accommodation and you have got the cost of the course itself. They are an extra cost you can do without when you are working on a small budget. There is help for developing skills, like Northern Ireland Screen and Creative Skillset have bursaries for skills and the more of those the better... I mean the last time we got 75% of the costs back. If there was more of that, any kind of financial assistance.

Production company one, Honeycomb eligible area.


3.1 SKILLS GAPS

The Honeycomb survey asked respondents about skills gaps in their workforce. Figure 3.1 (see page 58) presents the results based on respondents that agreed a particular area of skill was lacking. The results are summarised below:


- The top skills gap was in craft/technical skills, which was an issue for half of respondents.
- The second highest skills gap was around sales and marketing skills, which emerged as an issue for 46%.
- The third highest skills gap was around business skills, such as entrepreneurial skills, commercial acumen, which emerged as an issue for 45%.
- Around one third of respondents identified the follow as skills gaps: understanding intellectual property rights (33%), skills in using software packages (31%) and finance skills (29%).
- Skill gaps highlighted to a lesser degree were creative talent (14%) and leadership and management skills (12%).

Honeycomb also sought to understand if specific skills gaps existed, at what level did skills need improvement. Table 3.1 (see page 57) summarises the survey findings.

Overall, skills improvement at advanced levels was viewed as in much greater need than beginner level skills. Industry interviews help to illustrate the nature of this problem:


 *There are a lot of new entry level people currently in the market. However the market requires that productions are conducted in the most cost effective way which generally means businesses need to hire specialists who can produce high quality work in a short space of time. There's an argument in having fewer professionals who are working all the time and keeping their skills high."*

Production company two, Honeycomb eligible area.

 *There is always a potential for creative skills, training people up from junior editor to senior editor."*

Judy Wilson, production manager, 360 Productions, Northern Ireland.

The growth of the film and broadcast sector can be supported by higher level skills development. However this is not a simple issue to address. Interviews with practitioners illustrate how changes in industry structure have resulted in training becoming more formalised than in the past and on the job learning is less common. For example:

 *What is lacking is a path, training, a proper apprenticeship system so that people can be nurtured, that is what RTÉ did really well, they trained people really well and yes we have more educational opportunities now than would have existed previously, but there is nothing like good vocational training experience...Ultimately the need to get hands on experience is always paramount. I don't think there are enough opportunities like that."*

Johnny Gogan, Bandit Films, Republic of Ireland border counties.

Skills gaps in the Honeycomb eligible area



Software skills can be taught fairly quickly, but we also need our animation team to understand how a production works: the pressure to deliver high quality content on time and within budget. Ideally, animators would come out of college with this understanding, as well as hands-on, relevant production experience. The industry needs animators who are ready to start work and slip into an existing team, without constant supervision. They also need an understanding of the broader industry and have the confidence to think about developing their own creative ideas. Some of the most successful animated series, from both a creative and commercial perspective, were conceived and developed by animators and freelance writers."

Laura Campbell, editorial director, Dog Ears, Northern Ireland.

Companies also display an interest in, and appreciation of, the value of apprenticeships. For example:



One of the things we do is take people in on placement...We are working with other organisations to do that. Now usually they are either paid by the other organisation and we give them the experience or we come to a 50-50 arrangement. It is something we like doing. It is of benefit to the company. At the end of the day we have hired some of these people because we have seen that they are really good, but during the actual placement the company has to put in as much effort and time as the individual has to. We don't really get benefit until the end. But we can spot talent."

Bill Morrison, managing director, head of finance and business affairs, MacTV.

360 Productions based in Derry city, Northern Ireland, makes use of a variety of schemes to take on trainees to learn skills in house, such as the Department of Employment and Learning's scheme for youth unemployed. Some trainees have remained at the company after their apprenticeship. 360 Productions also highlight that funding to support internships is vital. This is echoed by Laura Campbell of Dog Ears.



We want to train and nurture animators and production employees and help build the pool of production talent in Northern Ireland, but it is a challenge to do that, especially when a production is in full-flow. If the animation industry is to grow, production companies need practical financial assistance to put together paid internship programmes that include high quality training."

Another way to assist more practice-based learning is to create a facilitative environment assisting greater levels of content creation.

Skills gaps in the Honeycomb eligible area



If you have got the money to do it you can do it big and glossy, but if you haven't you can still do it."

Philip Henry, Coral Moon Productions, Northern Ireland.



If you had a couple of micro budget feature films made in the border counties every year, you know working with whatever network is there, you would not just build the talent, but also the skills, the identity and an energy around certain centres. Training resources should go into getting people experience."

Johnny Gogan, Bandit Films, Republic of Ireland border counties.



You want to be in the film business? It is difficult to get in the front door; you might get in the side door. Pick up a flip cam, go out and shoot something, get yourself a good portfolio of work... If you get a chance to pitch, you need to have good stuff made. You have to be exceptional when you are small. You have to be prepared to take criticism and use it to develop."

Robert Wilson, director of development, The Linen Mill Studios.

Initiatives to support such an environment may not require high investment. For example Northern Ireland Screen's Ultra Low Budget Fund and Short Film Fund are mentioned by Philip Henry of Coral Moon Productions as important funds to allow productions to happen. Other examples include the initiatives that Big Box Network based in Scotland has taken on itself to catalyse (see quote on page 55).

Greater facilitation of local productions would help develop skills and give those aspiring to develop a career in film and broadcast access to local opportunities to develop content that can showcase their skills. Funding support for young companies to link with the education sector could also benefit the creation of a facilitative environment, providing funding support for young companies and linking the education sector directly with industry.

The next sections turn to assess specific areas of skill and the extent of skills shortages, discussing issues emerging from the Honeycomb survey and industry interviews. Areas of skills gap cited as 'key' are areas of skill that over 40% identified as an issue. 'Lesser' areas of skills gap are areas of skill that less than 40% but over 25% identified as an issue. 'Other' areas of skills gap are where less than 25% identified this area of skill as an issue.



One of the things we're doing right now is working with a local college and a cinema. The college has a creative writing course and so we spoke to them and the outcome was that they taught students screenwriting and we made them into films. During filming the students saw the difficulties in taking a script from a blank piece of paper into a shoot and they then saw their names up in the credits as writers on a large screen in a real cinema. That was a great evening and the reason we've done this is to highlight to educational groups that there is a way to work together, public and private sector, to ensure that education is authentic and relevant and that people can move then into a sector that might sustain them. We are now all speaking locally to see how we can expand this and once the strategy is agreed locally we'll be right on the phone to GoNorth, or other vested industry groups, saying look at this, can you now come in behind us and help push it a bit further.

Alistair Murray, producer, Big Box Network, Scotland

3.1.1 KEY AREAS OF SKILLS GAP

3.1.1.1 CRAFT/TECHNICAL SKILLS

Craft/technical skills were the top area of skills gap identified in the Honeycomb survey, which half of respondents identified as an issue. Of these respondents, 17% felt craft/technical skills needed improvement at intermediate levels, 52% felt these skills needed improvement at advanced levels, while 31% cited all levels. Specific skills which needed improvement were also assessed in relation to television, radio and film. In relation to television technical skills, almost a quarter (24%) of respondents cited camera skills and knowledge of new technology and platforms as technical skills in need of development. Just over one fifth (21%) said editing needed improvement. One in 10 said computer programming, CGI, 3D, animation, VFX, graphic design, computer programming, lighting, engineering and transmission skills needed improvement. Skills cited less than this were computer/software usage (7%), web/internet design/development (5%), audio/sound/music (5%), costume/wardrobe (2%) and make-up/hairdressing (2%) (see Figure 3.2, page 59). Other skills were cited by 12% and included:

producing/directing, producer training, people skills/work ethic/journalism, colour grading and aesthetics of styling.

In relation to film technical skills, just over a quarter (26%) said that camera skills could be improved. Computer/software usage was cited as in need of development by 19% and editing by 17%. Lighting was a skill seen as needing development by 14% and audio/sound/music by 12%. Skills rated lower were computer programming (7%), make-up/hairdressing (5%) and costume/wardrobe (2%) (see Figure 3.3, page 59). Other skills were also raised by 19% and included new technology, producer training, post production, production management, camera skills, pre-production and special effects.

Radio technical skills were not rated very highly as needing development for the film and broadcast sector (see Figure 3.4, page 60). The skill cited as most needing development was editing, which 14% said could be improved. This was closely followed by audio/sound/music, which 12% agreed needed development. One in ten said knowledge of new technology and platforms was a skill that needed improving (10%).

Computer/software usage and development of mobile applications was seen as in need of development by one in 20 (5%). One in 50 said computer programming was a skill in need of development (2%).

3.1.1.2 SALES AND MARKETING SKILLS

The second highest area of skills deficit identified were sales and marketing skills which 46% agreed were a gap in their workforce. Consistent again with the overall pattern, just 3% thought sales and marketing skills at beginner level were in need of improvement, while 36% said intermediate and 38% said advanced training would improve skills in this area. Sales and marketing skills at all levels were viewed as in need of improvement by 31% of respondents. Specific sales and marketing skills which needed to be improved or developed were also assessed. The skill most often cited was pitching, which 74% of companies agreed was a skills deficit. Over half of respondents also agreed that the following areas were sales and marketing skills gaps: marketing through social media, negotiation, international markets and e-marketing (see Figure 3.5, page 60). Other skills were highlighted by 8% and were around promotions and internet marketing.

TABLE 3.1

Level skills need improving

	BEGINNER	INTERMEDIATE	ADVANCED	ALL LEVELS
UNDERSTANDING INTELLECTUAL PROPERTY RIGHTS ¹	7%	21%	29%	57%
LEADERSHIP AND MANAGEMENT SKILLS ²	20%	40%	40%	20%
SALES AND MARKETING SKILLS ³	3%	36%	38%	31%
BUSINESS SKILLS ⁴	3%	34%	29%	42%
SKILLS IN USING SOFTWARE PACKAGES ⁵	0%	27%	42%	35%
FINANCE SKILLS ⁶	0%	13%	42%	46%
CRAFT OR TECHNICAL SKILLS ⁷	0%	17%	52%	31%
CREATIVE TALENT ⁸	8%	17%	42%	42%

Base: ¹28 respondents, ²10 respondents, ³39 respondents, ⁴38 respondents, ⁵26 respondents, ⁶24 respondents, ⁷42 respondents, ⁸12 respondents.



FIGURE 3.1

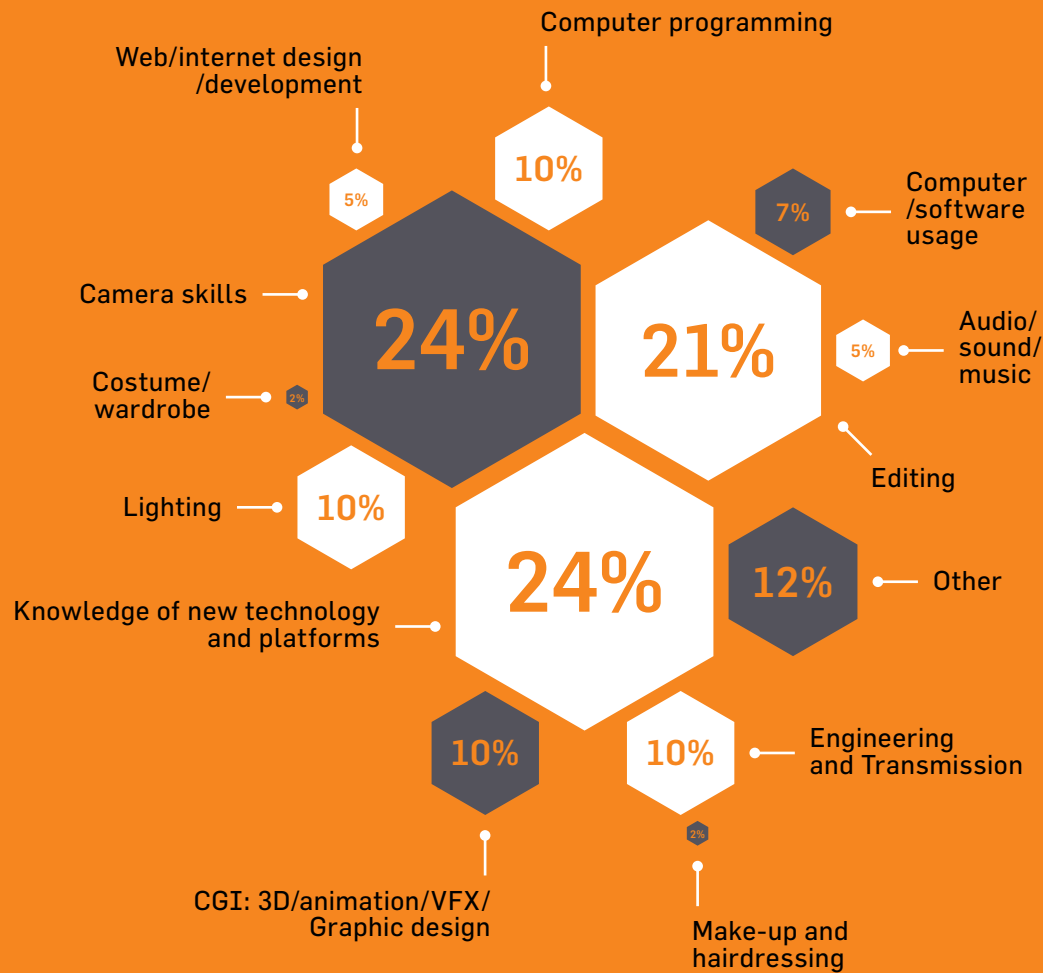
Skills gaps in the Film and Broadcast workforce



BASE: 84 RESPONDENTS

FIGURE 3.2

Television technical skills in need of development



BASE: 42 RESPONDENTS

FIGURE 3.3

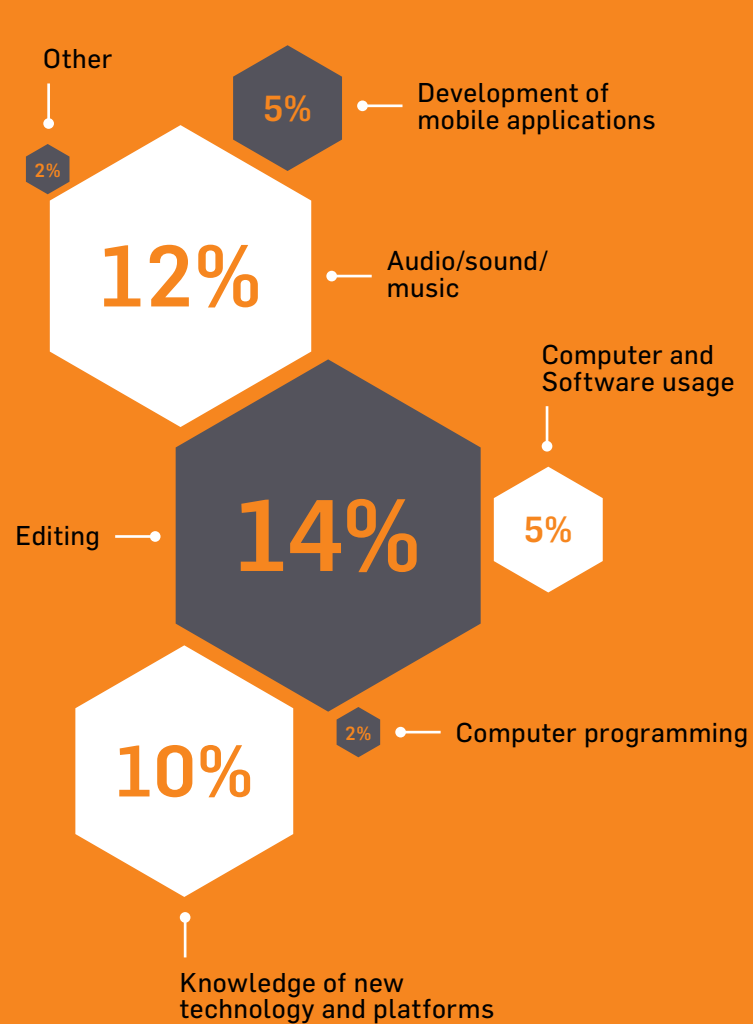
Film technical skills in need of development



BASE: 42 RESPONDENTS

FIGURE 3.4

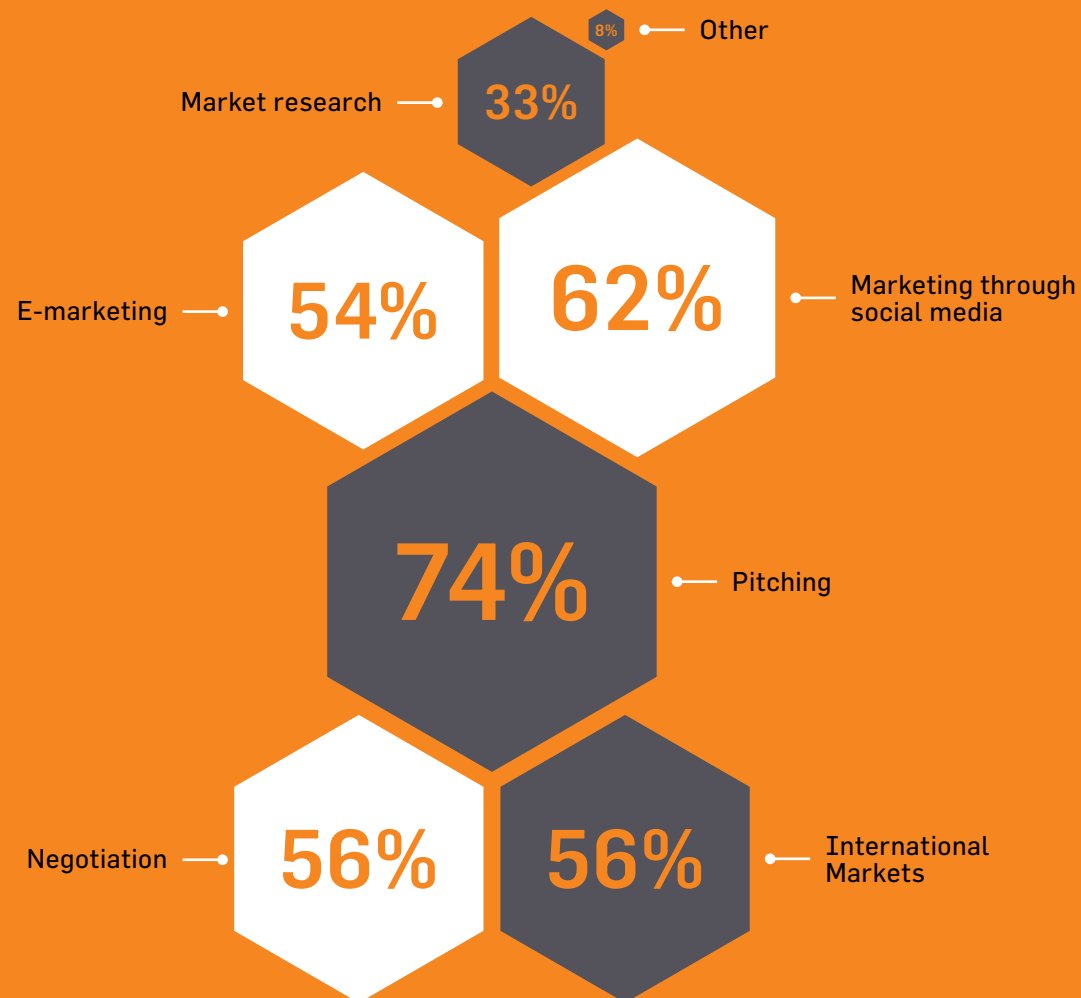
Radio technical skills in need of development



BASE: 42 RESPONDENTS

FIGURE 3.5

Sales and marketing skill gaps



BASE: 39 RESPONDENTS

Skills gaps in the Honeycomb eligible area

Pitching was the most cited sales and marketing skills area in need of improvement emerging from the Honeycomb survey. A linked issue emerging from the industry interviews was the need for a better understanding of what commissioners are looking for. For example:



Trying to read the commissioners mind is a perennial demand on the independent sector."

Production company one, Honeycomb eligible area.



If you could come up with what the commissioners are thinking I think most producers would be delighted to know that. It varies all the time, you could put an idea to a commissioner one morning and they could throw it out and then give it to the same commissioner two weeks later and they would like it. What they are looking for any one week, God only knows. It's pot luck."

Bill Morrison, managing director, head of finance and business affairs, MacTV, Scotland.

Industry interviews add further insight to the pitching skill gap. The route between industry and commissioners may not be functioning as effectively as it could within the eligible areas. Laura Campbell, editorial director with Dog Ears describes the benefits the Sheffield-based Children's Media Conference (CMC) has had for Dog Ears:



Attending CMC in Sheffield led to our relationship with Penguin - that's where we pitched Puffin Rock and the conversation about a co-production began."

Laura also describes the wider importance of a similar, high level film and broadcast conference in Northern Ireland that links industry with broadcasters, potential investors and provides a forum for networking:



The TV and animation industry in Northern Ireland would benefit from an event similar to CMC where production companies can discuss issues relevant to the industry and strategies for development and, crucially, meet with other companies, broadcasters and content creators/ content buyers who are breaking new ground."

Digital media allows content creators to get closer to their audience through for example social media and broadcasters can measure audience engagement more effectively with technological advances. The UTV commissioned Lesser Spotted Ulster has been produced by Westway Films based in Derry city for almost 20 years. It provides an example of how popularity with audiences can lead to more sustainable commissioning for production companies (see Regional Case Study, page 62).

Lesser Spotted Ulster

An enduringly popular regional TV production depicting quieter parts of Ulster life and landscape

Increasing audience demand for regional content could increase the commissioning of regional productions. Lesser Spotted Ulster is one example of a success story in continuing to engage a local audience.

Described as compellingly quirky, evocative and insightful, UTV has broadcast 14 series of Lesser Spotted Ulster. One of the most popular programmes ever broadcast on UTV, the programme depicts what makes Ulster unique, its people, tales, wildlife and landscapes. This show has been produced by Westway Film Productions, an independent television production company based in Derry city and established in 1996. Lesser Spotted Ulster paved the way for Lesser Spotted Culture, also produced by Westway Film Productions. This series of 12 hour-long programmes broadcast in 2013 explored indigenous Derry city culture and events that were part of Derry~Londonderry City of Culture.

The programme's enduring popularity shows how it successfully serves a regional market. Joe Mahon, producer and presenter of Lesser Spotted Ulster, sees more opportunities for programmes focusing on local topics: "There are whole areas, huge areas of history and culture and heritage, huge areas that are fertile ground for making television programmes." However what can hold this back is that these areas are not seen as fashionable and ideas fail to get commissioned. Mahon said: "People who are in charge of commissioning hold the purse strings and have enormous power over popular culture so it's important that we are constantly questioning what we mean by popular culture – it's not simply what is fashionable at any given point in time. I would look for content that is timeless; let's have more variety of what we think by popular culture. Some would

say I am living in the past, but I am encouraged by the reaction we still get, increasingly from young people." Broadcasting can follow trends, but quality programmes will rise to the surface if they get commissioned. Mahon explains: "Programmes like Coast and Time Team, these were all marginal, niche kind of programmes that were on late at night on BBC2. You can make things mainstream... Countryfile established itself. I think it is the perfect example of the kind of thing I am talking about. You can make something that should have been peripheral centre stage. People actually like it, but how do you get past the commissioner in the first place? Commissioners are under enormous pressure to make the right decisions – their job is always on the line remember – but sometimes it requires a bit of courage as well as wisdom."

CASE STUDY –



Scene from Lesser Spotted Ulster relating to path building on Malin Head.

Image courtesy of UTV.

3.1.1.3 BUSINESS SKILLS

The third highest area of skills gaps identified, 45% identified business skills as a skills gap in their workforce. Among these respondents, business skills were seen to need improvement, but at intermediate and advanced, rather than beginner levels. Just 3% said these skills needed improvement at beginner level, 34% said intermediate and 29% said advanced training would improve skills. That said, 42% said business skills at all levels need improving. Specific business skills which needed to be improved or developed were also assessed (see Figure 3.6, page 65). Networking nationally and internationally was cited by 74%, identifying opportunities by 68% and commercial acumen by 58%. Just over a fifth indicated that other skills areas needed improvement and these included how to prepare proposals, programming, time management, entrepreneurship, journalism, publishing and tendering skills.

The importance of business skills and market knowledge, but alongside creative ideas, also emerged from industry interviews. The vital importance of both is emphasised. One may come at the expense of the other, but both are needed

for commercialisation of creative ideas. Greater capitalisation on creativity, capturing more of the potential value emerging from film and broadcast productions would expand the economic value of the sector. The following comments help to illustrate this point:



It is really important when you are talking to someone in the creative industries that it is not just about the money, it is about doing a good job, but when they have done a good job it is very important they understand the importance of profitability. I don't want to dilute the passion by talking about numbers all the time, the passion has its place. But for half an hour every day one has to engage with pure business thinking, what is our break-even, will we make a profit, what time can we allocate to this job, what is the end game, where is the next order coming from. When you are dealing with the arts and business you have to ring fence time for each. But if you talk about business all day long you can sometimes detract from the passion."

*Robert Wilson, director of development,
The Linen Mill Studios.*



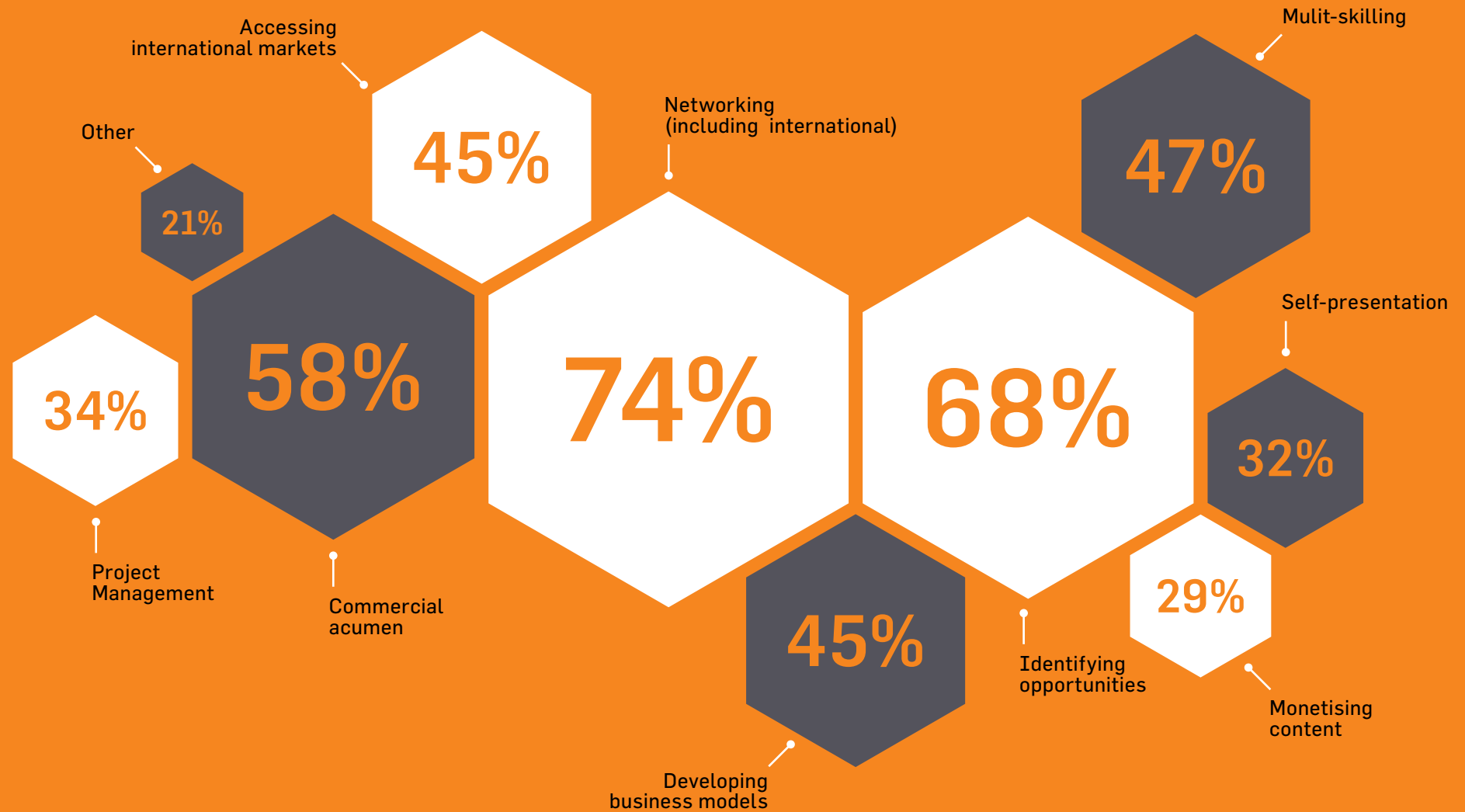
You have got to think about the entire brand strategy when creating a new show. The brutal truth is that it isn't possible to cover the cost of development and production of an animated series from TV sales alone, so it's crucial to think about other ways to monetise content without diluting the quality of the show. It's possible to make a really strong, creative show that's also a commercial success - but it's a big challenge."

*Laura Campbell, editorial director, Dog Ears,
Northern Ireland.*

One interviewee explains, for example, how particular genres may have greater economic potential than others. Creative skills are needed to develop ideas, but also business acumen to drive them commercially.

FIGURE 3.6

Business skill gaps



BASE: 38 RESPONDENTS



There's a need for greater education among creators and producers at all levels to understand the markets they are creating for and selling into...in Ireland...the sector is predominantly factual and documentary driven, often it's single ideas that are very localised, very culturally specific. It would be great to have more diversity amongst our output and therefore more opportunities to try out locally and sell internationally."

Production company two, Honeycomb eligible area.

3.1.2 LESSER AREAS OF SKILLS GAP

3.1.2.1 UNDERSTANDING INTELLECTUAL PROPERTY RIGHTS

One third of respondents agreed this area of skill needs development. Corresponding with overall patterns, advanced levels of intellectual property rights skills were seen as more important than beginner levels.

Intermediate training was cited by 21% and 29% said advanced training was needed, while just 7% said beginner level training was. That said, the majority agreed (57%) that training at all levels was needed to improve skills in this area. The need for innovation in protecting IP was also highlighted in industry interviews and the urgency of this was emphasised. For example, the comments below help to illustrate:



Protecting intellectual property is very difficult. The television format industry is not unlike any other business out there; we have to get our product to market quickly, get traction and sell widely. It's the same for any business. There is a difficulty in protecting IP but there is perhaps too much conversation about protecting IP and not enough about how to develop and internationalise our shows effectively. There are elements of IP that do however need legal protection. The cost of legal and business affairs is high, but in our experience it is a cost that is worthwhile."

Production company two, Honeycomb eligible area.

3.1.2.2 SOFTWARE SKILLS

This area of skill was identified by 31% of respondents as a skills gap in their workforce. Of those identifying software skills as lacking, intermediate skills were viewed as needing development by 27%, while 42% held the view that improvements in software skills at an advanced level were needed. Software skills at all levels were viewed to need improvement by 35%. Specific software skills which respondents saw as needing improvement were also assessed (see Figure 3.7, page 71). Skills in the use of Final Cut Pro were highlighted by more than half (54%). Skills in the use of Adobe Photoshop, Avid editing and After Effects were all seen to need improvement by almost half of respondents (46%). Over two thirds cited other skills that needed improvement and included web design, Adobe Premiere, Da Vinci Resolve, Virtual Studio, Audacity, Final Cut 10, sound editing and advanced audio mastering.

3.1.2.3 FINANCE SKILLS

This area of skill was identified by 29% of respondents as a skills gap in their workforce. Of those who identified this skills gap, finance skills at all levels were seen to need improvement by 46%, while at advanced levels by 42% and intermediate levels by 13%. Specific finance skills which needed improvement or development were also assessed (see Figure 3.8, page 72). Identifying sources of finance was cited by 92%, skills held by production accountants were cited by 58% and production managers by 54%. Accountancy and book keeping skills were cited by 50% and budget planning by 46%. Other skills cited by 8% of companies were accountancy software and tendering skills.

3.1.3 OTHER AREAS OF SKILLS GAP

3.1.3.1 CREATIVE TALENT SKILLS

Gaps in creative talent skills emerged as the second lowest area of need – 14% of respondents agreed it was a gap in their workforce. Of these respondents, 42% agreed that these skills needed improvement at all levels and 42% at advanced levels.

A lower 17% felt they needed improvement at intermediate levels and just 8% felt they needed improvement at beginner levels. Specific creative skills in need of development were also explored (see Figure 3.9, page 72). A high 83% cited that both script writing and producing skills need development. Design was cited as a skill needing improvement by 75%, with writing also rated highly as needing improvement with 67% saying so. Directing was identified as a skill needing improvement by more than half (58%). A third agreed that performing and animation skills needed to be improved.

In contrast with the survey findings, from industry interviews creative skills emerged as an important skills issue for the film and broadcast sector. Practitioners distinguish between technical and creative skills. Technical skills can be learned and developed when needed, but creative skills need to be developed through time. For example, the following comments help to illustrate:



In the set-up we have developed here in Leitrim, we have the capacity of people who could shoot and record sound and produce work to high production value, but we are missing the storytellers... The talent is there but it needs a bit of nurturing. If you were to ask me tomorrow what training would I set up I would actually love to set up a six month course for producer directors who could work in a low budget digital way... I mean storytelling in the wider sense, in documentary, in magazine programmes and other types of fiction... a lot of the ability here is the technical ability, and it needs that storytelling gene.

Johnny Gogan, Bandit Films, border counties, Republic of Ireland.

Skills gaps in the Honeycomb eligible area



I was watching an interview on YouTube with Steven Spielberg and he said whenever he is looking at an amateur filmmaker's film, he is not looking at the production values, what kind of camera or how good the sound is, he is looking at whether or not this person can tell a story."

Philip Henry, Coral Moon Productions,
Northern Ireland.



I think what the industry needs is not more people with technical skills, I am not saying that is not important, but you can acquire technical skills as you go along. We need people who are ideas people...we need people who know how to put well-crafted films together. We just need producers who generate ideas, who generate commissions, who generate programmes. They are the people who are fundamentally the engine of this whole sector. We need people with that kind of mind-set... creativity, imagination and practicality...

My fear is that is that we are going to bring a whole generation of really skilled and technically minded, media savvy people but have really no substance in the cultural aspects of life."

Production company one, Honeycomb eligible area.

However as was already made clear in the earlier section on business skills, creative skills alone do not support a strong, growing, innovative film and broadcast industry. For example:



It is not just about having a brilliant idea, it is about being able to deliver it."

Jane Kelly, creative director, Big Mountain Productions, border counties Republic of Ireland and Northern Ireland.

Overall what this highlights is the range and balance of skills needed to support the successful economic development of the film and broadcast sector.

3.1.3.2 LEADERSHIP AND MANAGEMENT SKILLS

This area of skill emerged as the area of lowest priority – 12% agreed these skills needed developing. But of those who agreed this was a skills gap, intermediate and advanced training were seen as in greater need than beginner level training. Beginner level skills were cited as needing improvement by 20%, while 40% saw intermediate and advanced training as in need of improvement. A lower 20% thought leadership and management at all levels needed improving.


Specific leadership and management skills which needed development were also assessed (see Figure 3.10, page 73). The three areas that emerged of most importance, which 80% cited as requiring development were: developing funding models and identifying sources of finance; company sustainability/ growth and reaching audiences in new markets.

Skills gaps in the Honeycomb eligible area


Industry interviews also help to further illuminate aspects of leadership skills issues. The need for particular kinds of funding to assist company development in early stages of growth emerges from industry interviews. Funding and finance impact on company growth and sustainability, a key theme observed in this comment from Alistair Murray, producer at Big Box Network:

 *I think it is more difficult in this sector than other sectors because you are dealing with intangibles. We have financed everything ourselves to date by doing other things. If we had even modest amounts of funding support we would be two years ahead of the curve than we are...We have brought in people that have given us a substantial amount of time and they are really investing in their futures two or three years hence, as well as ours. But this also reduces the people you can go and talk to and try and work with. Be it grants, loans or whatever, I think they're essential for the whole industry to accelerate its growth."*

Reaching audiences in new markets and networking nationally and internationally were also high in identified leadership and management skills gaps. Interviews revealed that aiming high is important, and what can hold this back is the confidence to be ambitious:


 *Opportunities locally I think are very small and a lot of companies don't think big enough, early enough."*

—
Production company 3, Honeycomb eligible area.

 *It sometimes feels that companies based in Northern Ireland lack the confidence to compete with 'The Big Boys' - perhaps because we're geographically on the periphery and we don't have huge teams and resources, but there's no doubt that we can produce content that will work internationally. We just need to get out there and present ourselves as people who can deliver. We need to get better at that."*

—
Laura Campbell, editorial director, Dog Ears, Northern Ireland.

Developing ambition can therefore be seen as part of this leadership and management skills gap, which holds companies back from international networking and expanding to new markets. Alongside this developing the reputation and recognition of the potential in the film and broadcast sector is also important. A feeling that other industries are taken more seriously and supported at a higher level than creative industries and the need for this to change, through higher level supports and incentives, also emerged from industry interviews. For example:

 *We need the right kind of financial incentives like other industries. Up here in Scotland we have millions going into renewable energy. That's great for renewable energy but not for creative industries. I'm not saying creative industries should get as much as renewable energy, but the balance could be a lot better."*

—
Alistair Murray, producer, Big Box Network, Scotland.

Skills gaps in the Honeycomb eligible area

In relation to formats, another illustrative example is Jane Kelly's comparison of the need for research and development for the broadcast industry as much as the software industry:

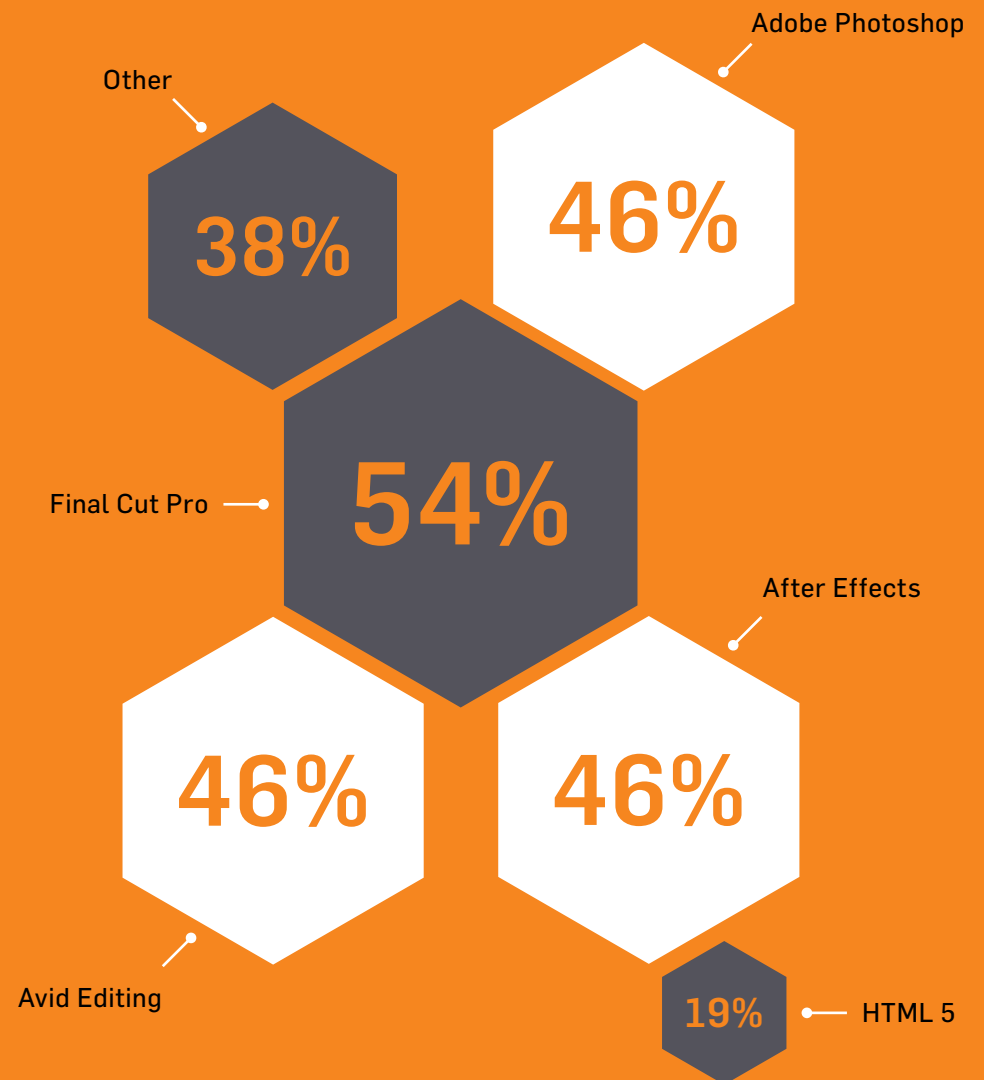


We have problems in R&D in terms of financing innovation and ideas... governments and funding bodies should be encouraged to put format creation on a par with developing IP products with the software business... There is a need to recognise the value in R&D in creating formats and that it is as valuable as creating worldwide IT products. Greater incentivisation makes R&D something that is worth pursuing commercially, even match funding for companies to collaborate at an early stage to sell their brands and products internationally."

Jane Kelly, creative director, Big Mountain Productions, border counties Republic of Ireland and Northern Ireland.

FIGURE 3.7

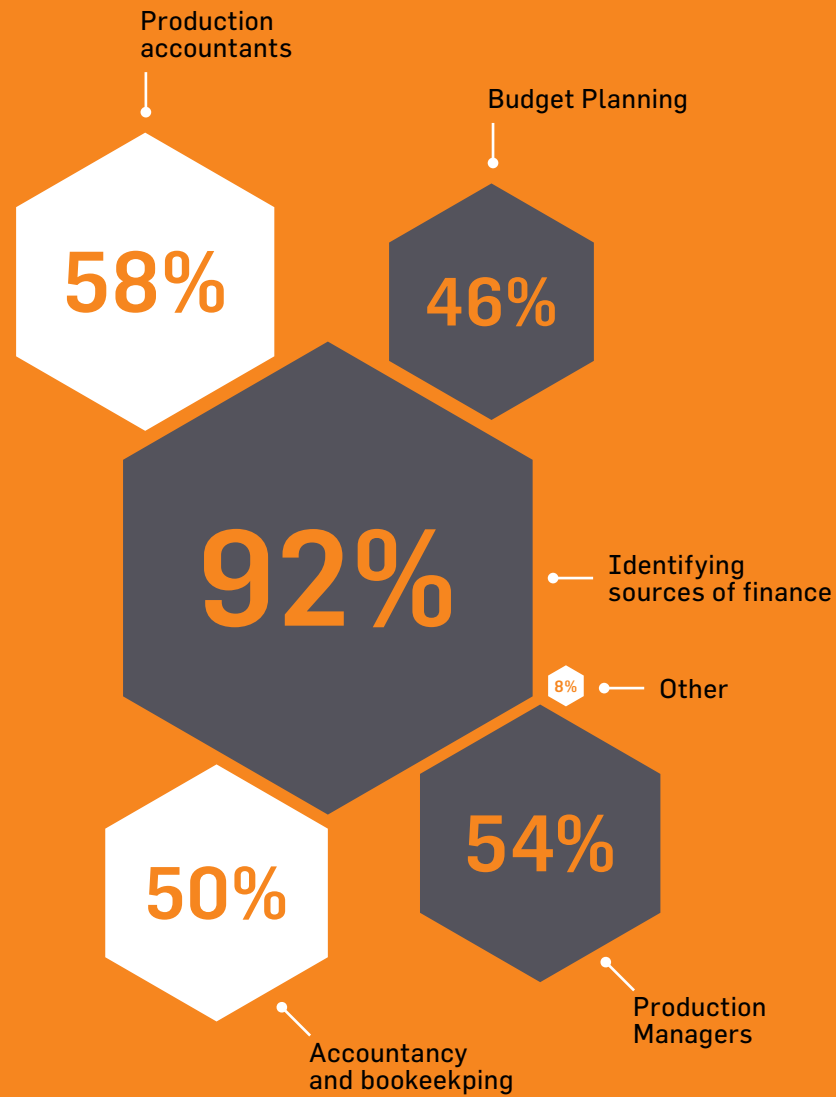
Skill gaps in use of software packages



BASE: 26 RESPONDENTS

FIGURE 3.8

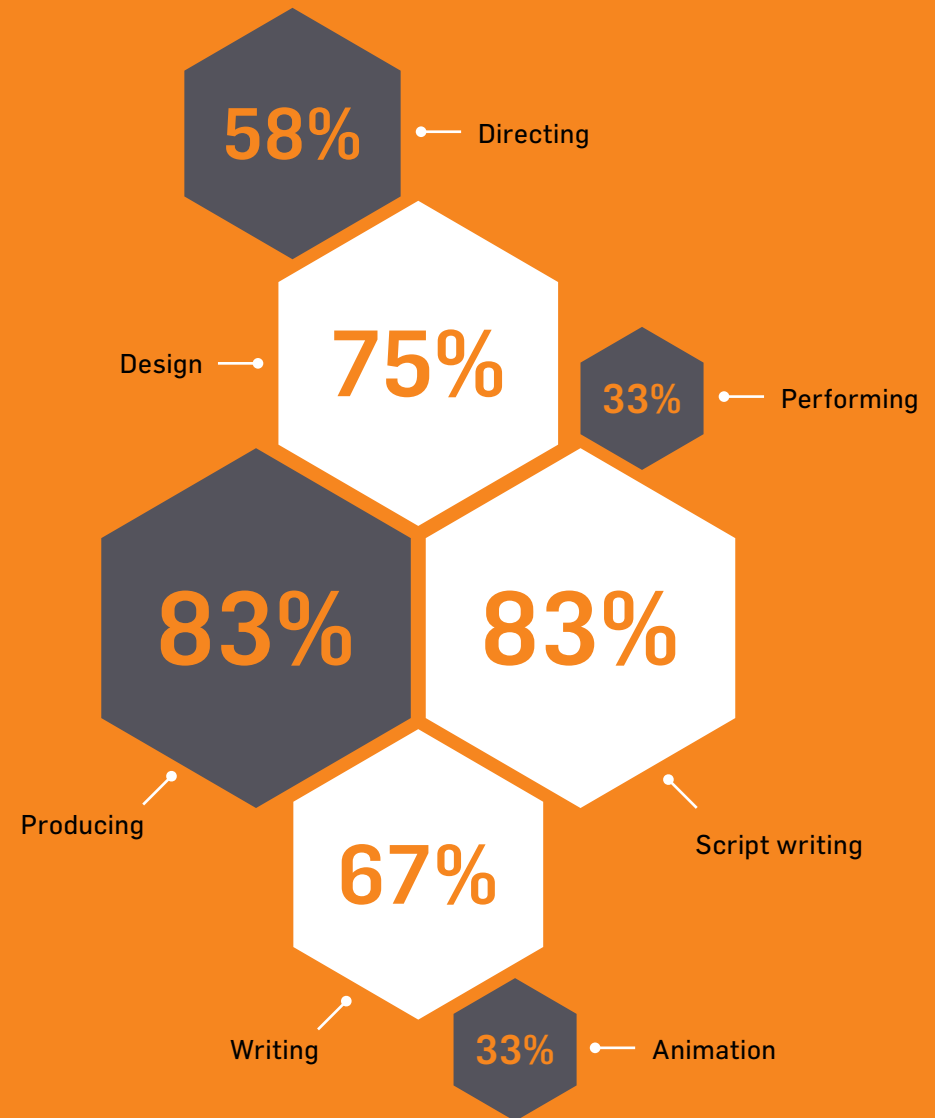
Finance skill gaps



BASE: 24 RESPONDENTS

FIGURE 3.9

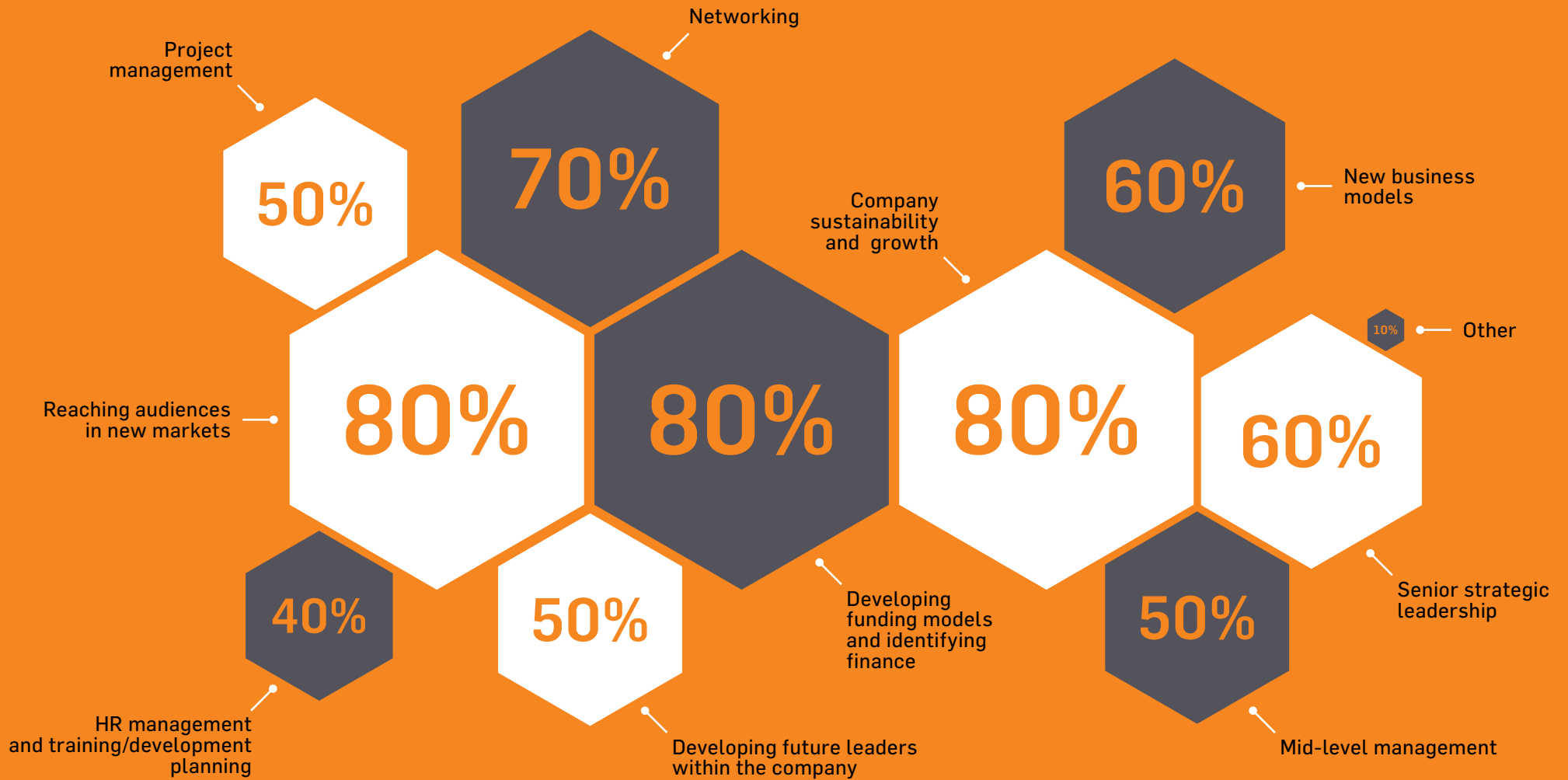
Creative talent skills in need of development



BASE: 12 RESPONDENTS

FIGURE 3.10

Leadership and management skill gaps



BASE: 10 RESPONDENTS

3.1.4 KEY SKILLS ISSUES AND RECOMMENDATIONS

In this section the central findings in relation to skills needs emerging from the Honeycomb survey and industry interviews are presented. Key findings are as follows:

- Overall, skills improvement at advanced levels was viewed as in much greater need than beginner level skills.
- According to the Honeycomb survey, in the film and broadcast sector, the three top areas of skill that the most respondents agreed were skills gaps in their workforce were:
 - Craft/technical skills (50%)
 - Sales and marketing skills (46%)
 - Business skills (45%)
- Craft/technical skills are difficult to address because of the range of different skills needs within this one sector. A proportion of funding support for training in this area may be better delivered directly to companies who can then source the specific training they need.
- Pitching was the highest specific sales and marketing skills gap. Over half of respondents also identified social media/e-marketing, negotiation and international marketing as skills gaps in this area.
- Specific business skill gaps that over half of respondents identified as needing development were: networking nationally and internationally (74%), identifying opportunities (68%) and commercial acumen (58%).
- Industry interviews revealed some fundamental challenges relating to skills development – the cost of up-skilling and the pace of change. Support for skills development exists, but because of these two overarching factors, the sector would benefit from increased support for skills training.
- The nature and structure of programmes for skills development are also important. Practice-based learning is valued. The value of apprenticeships is strongly emerging from the industry voice. However, supporting apprentices also requires funding support. While bringing longer term benefits, it can in the shorter term place extra demands on company resources.
- Creating a facilitative environment, making it more accessible to become involved in content production, would facilitate practice-based learning and skills development. Funding support for young companies to link directly with the education sector could also assist the creation of a better facilitative environment.
- Greater understanding of intellectual property rights and innovation in how intellectual property can be exploited and protected would have commercial benefit for the film and broadcast sector.
- Development of business and creative skills must go hand in hand in this sector. Greater capitalisation on creativity, capturing more of the potential value emerging from film and broadcast productions would expand the sector's economic value.

3.2 REGIONAL SKILLS ISSUES

The overall survey results hide differences in skills deficits between the Honeycomb eligible areas. Table 3.2 (see page 76) displays the survey results for each area of skill, in each of the eligible areas, rating the severity of each area of skill deficit.

In the Republic of Ireland border counties, the Honeycomb survey found the two greatest skills deficits to be around business skills and sales/marketing skills. In Northern Ireland, the two greatest skills deficits were around business skills and craft/technical skills. In western Scotland, the two greatest skills deficits were around sales and marketing and craft/technical skills.

When skills deficits overall are compared across the regions, the Republic of Ireland border counties skills deficits emerge as the most severe. Out of the eight areas assessed in Table 3.2, two are rated severe, four significant and two moderate concerns in the Republic of Ireland border counties.

In Northern Ireland, one area is rated a severe, five are rated significant and two moderate concerns. In western Scotland, four are rated significant and four moderate concerns.

In terms of the level skills need improvement, the survey found that across the range of skills assessed, beginner level skills development did not emerge as a priority. In a few areas beginner level skills development were cited by a minority of respondents, however, overall beginner level skills development did not emerge from the Honeycomb survey as a priority (see Tables 3.3, 3.4 and 3.5 for breakdown of results for each Honeycomb eligible area, page 77-79).

3.2.1 KEY AREAS OF SKILLS GAP

3.2.1.1 CRAFT/ TECHNICAL SKILLS

Overall this area emerged as a significant to severe concern in the Honeycomb survey results. However because of the range of skills assessed, and the range of skills needs, it is difficult to pinpoint which is the most severe concern. Table 3.6 and 3.7 detail the survey results.

3.2.1.2 SALES AND MARKETING SKILLS

Overall this area emerged as a significant to severe concern based on the Honeycomb survey results. The survey found the level these skills needed improving was predominantly at advanced levels in Northern Ireland and predominantly at intermediate to advanced levels in the Republic of Ireland and western Scotland. The specific sales and marketing skills needs are outlined in Table 3.8 (see page 82). Comparing the differences between the Honeycomb eligible areas, the top sales and marketing skills deficit was pitching in Northern Ireland and the Republic of Ireland, while marketing through social media was the top sales skill deficit in western Scotland. However pitching was the second highest skills shortage in this area.

3.2.1.3 BUSINESS SKILLS

Overall this area emerged as a significant to severe concern based on the Honeycomb survey results. Business skills around networking, both national and international and commercial acumen were identified as severe concerns across the Honeycomb eligible areas (see Table 3.9, page 83).

TABLE 3.2

Skills issues in the Film and Broadcast sector across the Honeycomb eligible area

	NORTHERN IRELAND (EXCL.BELFAST AND OUTER BELFAST) ¹	BORDER COUNTIES REPUBLIC OF IRELAND ²	WESTERN SCOTLAND ³	OVERALL ⁴
UNDERSTANDING INTELLECTUAL PROPERTY RIGHTS	29%	43%	23%	33%
LEADERSHIP AND MANAGEMENT SKILLS	6%	14%	13%	12%
SALES AND MARKETING SKILLS	41%	51%	43%	46%
BUSINESS SKILLS	47%	59%	27%	45%
SKILLS IN USING SOFTWARE PACKAGES	41%	30%	27%	31%
FINANCE SKILLS	41%	38%	10%	29%
CRAFT /TECHNICAL SKILLS	82%	49%	33%	50%
CREATIVE TALENT	18%	19%	7%	14%
KEY	Severe concern 50%-100%	Significant concern 25%-49%	Moderate concern 1%-24%	

BASE: ¹17 RESPONDENTS, ²37RESPONDENTS, ³30 RESPONDENTS, ⁴84RESPONDENTS.

TABLE 3.3

Northern Ireland (excl. Belfast and greater Belfast)
Level skills need improving

	BEGINNER	INTERMEDIATE	ADVANCED	ALL LEVELS
UNDERSTANDING INTELLECTUAL PROPERTY RIGHTS ¹	0%	0%	0%	100%
LEADERSHIP AND MANAGEMENT SKILLS ²	0%	100%	0%	0%
SALES AND MARKETING SKILLS ³	0%	0%	71%	29%
BUSINESS SKILLS ⁴	0%	25%	38%	50%
SKILLS IN USING SOFTWARE PACKAGES ⁵	0%	29%	43%	43%
FINANCE SKILLS ⁶	0%	0%	43%	57%
CRAFT /TECHNICAL SKILLS ⁷	0%	14%	64%	21%
CREATIVE TALENT ⁸	0%	33%	0%	67%

BASE: ¹5 RESPONDENTS, ²1RESPONDENT, ³7RESPONDENTS, ⁴8 RESPONDENTS, ⁵7 RESPONDENTS, ⁶7 RESPONDENTS, ⁷14 RESPONDENTS, ⁸3 RESPONDENTS.

TABLE 3.4

Border counties Republic of Ireland
Level skills need improving

	BEGINNER	INTERMEDIATE	ADVANCED	ALL LEVELS
UNDERSTANDING INTELLECTUAL PROPERTY RIGHTS ¹	6%	19%	38%	56%
LEADERSHIP AND MANAGEMENT SKILLS ²	0%	40%	60%	20%
SALES AND MARKETING SKILLS ³	5%	37%	37%	37%
BUSINESS SKILLS ⁴	0%	23%	32%	50%
SKILLS IN USING SOFTWARE PACKAGES ⁵	0%	18%	45%	36%
FINANCE SKILLS ⁶	0%	14%	50%	36%
CRAFT /TECHNICAL SKILLS ⁷	0%	6%	44%	50%
CREATIVE TALENT ⁸	14%	14%	57%	29%

BASE: ¹16 RESPONDENTS, ²5 RESPONDENTS, ³19 RESPONDENTS, ⁴22 RESPONDENTS, ⁵11 RESPONDENTS,
⁶14 RESPONDENTS, ⁷18 RESPONDENTS, ⁸7 RESPONDENTS.

TABLE 3.5

Western seaboard of Scotland
Level skills need improving

	BEGINNER	INTERMEDIATE	ADVANCED	ALL LEVELS
UNDERSTANDING INTELLECTUAL PROPERTY RIGHTS ¹	14%	43%	29%	29%
LEADERSHIP AND MANAGEMENT SKILLS ²	50%	25%	25%	25%
SALES AND MARKETING SKILLS ³	0%	54%	23%	23%
BUSINESS SKILLS ⁴	13%	75%	13%	13%
SKILLS IN USING SOFTWARE PACKAGES ⁵	0%	38%	38%	25%
FINANCE SKILLS ⁶	0%	33%	0%	67%
CRAFT /TECHNICAL SKILLS ⁷	0%	40%	50%	10%
CREATIVE TALENT ⁸	0%	0%	50%	50%

BASE: ¹7 RESPONDENTS, ²4 RESPONDENTS, ³13 RESPONDENTS, ⁴8 RESPONDENTS, ⁵8 RESPONDENTS,
⁶3 RESPONDENTS, ⁷10 RESPONDENTS, ⁸2 RESPONDENTS.

TABLE 3.6

Television technical skills needs across the Honeycomb eligible area

	NORTHERN IRELAND (EXCL.BELFAST AND OUTER BELFAST) ¹	BORDER COUNTIES REPUBLIC OF IRELAND ²	WESTERN SCOTLAND ³	OVERALL ⁴
COMPUTER PROGRAMMING	14%	6%	10%	10%
COMPUTER/SOFTWARE USAGE	7%	6%	10%	7%
EDITING	36%	11%	20%	21%
CAMERA SKILLS	21%	17%	40%	24%
WEB/INTERNET DESIGN/DEVELOPMENT	7%	0%	10%	5%
CGI: 3D/ANIMATION/VFX/GRAPHIC DESIGN	7%	6%	20%	10%
KNOWLEDGE OF NEW TECHNOLOGY AND PLATFORMS	36%	11%	30%	24%
COSTUME/WARDROBE	0%	0%	10%	2%
MAKE-UP AND HAIRDRESSING	0%	0%	10%	2%
LIGHTING	7%	11%	10%	10%
AUDIO/SOUND\MUSIC	0%	6%	10%	5%
ENGINEERING AND TRANSMISSION	14%	6%	10%	10%
OTHER	21%	6%	10%	12%
KEY	Severe concern 50%-100%	Significant concern 25%-49%	Moderate concern 1%-24%	

BASE: ¹14 RESPONDENTS, ²18 RESPONDENTS, ³10 RESPONDENTS, ⁴42 RESPONDENTS.

TABLE 3.7

Film technical skills needs across the Honeycomb eligible area

	NORTHERN IRELAND (EXCL.BELFAST AND OUTER BELFAST) ¹	BORDER COUNTIES REPUBLIC OF IRELAND ²	WESTERN SCOTLAND ³	OVERALL ⁴
COMPUTER PROGRAMMING	7%	6%	10%	7%
COMPUTER/SOFTWARE USAGE	21%	17%	20%	19%
EDITING	21%	17%	10%	17%
CAMERA SKILLS	21%	17%	50%	26%
COSTUME/WARDROBE	0%	0%	10%	2%
MAKE-UP AND HAIRDRESSING	7%	0%	10%	5%
LIGHTING	14%	17%	10%	14%
AUDIO/SOUND/MUSIC	7%	17%	10%	12%
OTHER	14%	28%	10%	19%
KEY	Severe concern 50%-100%	Significant concern 25%-49%	Moderate concern 1%-24%	

BASE: ¹14 RESPONDENTS, ²18RESPONDENTS, ³10 RESPONDENTS, ⁴42RESPONDENTS.

TABLE 3.8

Sales and marketing skills needs across the Honeycomb eligible area

	NORTHERN IRELAND (EXCL.BELFAST AND OUTER BELFAST) ¹	BORDER COUNTIES REPUBLIC OF IRELAND ²	WESTERN SCOTLAND ³	OVERALL ⁴
PITCHING	71%	84%	62%	74%
NEGOTIATION	57%	68%	38%	56%
E-MARKETING	57%	53%	54%	54%
INTERNATIONAL MARKETS	57%	63%	46%	56%
MARKETING THROUGH SOCIAL MEDIA	43%	58%	77%	62%
MARKET RESEARCH	29%	42%	23%	33%
OTHER	14%	5%	8%	8%
KEY	Severe concern 50%-100%	Significant concern 25%-49%	Moderate concern 1%-24%	

BASE: ¹7 RESPONDENTS, ²19RESPONDENTS, ³13 RESPONDENTS, ⁴39RESPONDENTS.

TABLE 3.9

Business skills needs across the Honeycomb eligible area

	NORTHERN IRELAND (EXCL.BELFAST AND OUTER BELFAST) ¹	BORDER COUNTIES REPUBLIC OF IRELAND ²	WESTERN SCOTLAND ³	OVERALL ⁴
DEVELOPING BUSINESS MODELS	13%	55%	50%	45%
MONETISING CONTENT	25%	27%	38%	29%
COMMERCIAL ACUMEN	50%	64%	50%	58%
NETWORKING (INCLUDING INTERNATIONAL)	75%	68%	88%	74%
IDENTIFYING OPPORTUNITIES	75%	77%	38%	68%
SELF-PRESENTATION	38%	27%	38%	32%
PROJECT MANAGEMENT	38%	36%	25%	34%
MULTI-SKILLING	63%	50%	25%	47%
ACCESSING INTERNATIONAL MARKETS	50%	41%	50%	45%
OTHER	13%	27%	13%	21%
KEY	Severe concern 50%-100%	Significant concern 25%-49%	Moderate concern 1%-24%	

BASE: ¹ RESPONDENTS, ²22 RESPONDENTS, ³8 RESPONDENTS, ⁴38 RESPONDENTS.

TABLE 3.10

Skills needs in the use of software packages across the Honeycomb eligible area

	NORTHERN IRELAND (EXCL.BELFAST AND OUTER BELFAST) ¹	BORDER COUNTIES REPUBLIC OF IRELAND ²	WESTERN SCOTLAND ³	OVERALL ⁴
ADOBE PHOTOSHOP	29%	55%	50%	46%
AVID EDITING	43%	36%	63%	46%
FINAL CUT PRO	71%	64%	25%	54%
AFTER EFFECTS	29%	55%	50%	46%
HTML5	29%	18%	13%	19%
OTHER	43%	55%	13%	38%
KEY	Severe concern 50%-100%	Significant concern 25%-49%	Moderate concern 1%-24%	

BASE: ¹7 RESPONDENTS, ²11 RESPONDENTS, ³8 RESPONDENTS, ⁴26 RESPONDENTS.

Skills gaps in the Honeycomb eligible area

TABLE 3.11

Finance skills needs across the Honeycomb eligible area

	NORTHERN IRELAND (EXCL.BELFAST AND OUTER BELFAST) ¹	BORDER COUNTIES REPUBLIC OF IRELAND ²	WESTERN SCOTLAND ³	OVERALL ⁴
BUDGET PLANNING	29%	50%	67%	46%
ACCOUNTANCY AND BOOK KEEPING	29%	50%	100%	50%
PRODUCTION ACCOUNTANTS	57%	50%	100%	58%
PRODUCTION MANAGERS	43%	50%	100%	54%
IDENTIFYING SOURCES OF FINANCE	100%	93%	67%	92%
OTHER	0%	14%	0%	8%
KEY	Severe concern 50%-100%	Significant concern 25%-49%	Moderate concern 1%-24%	

BASE: ¹7 RESPONDENTS, ²14 RESPONDENTS, ³3 RESPONDENTS, ⁴24 RESPONDENTS.

3.2.2 LESSER AREAS OF SKILLS GAP

3.2.2.1 SKILLS IN THE USE OF SOFTWARE PACKAGES

Overall this area emerged as a significant concern based on the Honeycomb survey results. The use of Final Cut Pro was the greatest software skills deficit in Northern Ireland and the Republic of Ireland, while Avid editing was highest in western Scotland (see Table 3.10, page 84).

3.2.2.2 FINANCE SKILLS

Overall this area emerged as a significant concern based on the Honeycomb survey results. Based on the respondents that agreed finance skills were an issue, all areas of specific finance skill examined emerged as severe concerns in western Scotland and the Republic of Ireland. Two areas, production accountancy and identifying sources of finance emerged as severe concerns in Northern Ireland (see Table 3.11, page 85).

3.2.3 OTHER AREAS OF SKILLS GAP

3.2.3.1 CREATIVE TALENT

Overall this area emerged as a moderate concern in the Honeycomb survey results. However for the respondents that rated this as an issue, a large proportion agreed there was a deficit in a range of creative skills (see Table 3.12, page 87).

3.2.3.2 LEADERSHIP AND MANAGEMENT

Overall this area emerged as a moderate concern in the Honeycomb survey results. The results of the Honeycomb survey for the respondents that rated leadership and management skills as an issue are presented in Table 3.13 (page 89).

3.2.4 KEY REGIONAL SKILLS ISSUES AND RECOMMENDATIONS

Across all of the eligible areas concerns around skills deficits in the film and broadcast sector were identified from the Honeycomb survey. This final section highlights the most pressing, central areas of concern.

3.2.4.1 NORTHERN IRELAND (EXCLUDING BELFAST AND GREATER BELFAST)

- The two greatest skills deficits identified were in business skills and craft/technical skills.
- Business skills should be developed at advanced or all levels.
- The top two business skills found lacking in Northern Ireland were national and international networking and identifying opportunities.
- Craft/technical skills should be developed at advanced levels.
- Identifying specific areas of priority in relation to craft/technical skills is difficult from the survey results. However, this emerged as a central skills deficit and therefore some funding to support skills development may be better delivered to companies directly who can then use this to assist with the costs of up-skilling.

TABLE 3.12

Creative talent skills needs across the Honeycomb eligible area

	NORTHERN IRELAND (EXCL.BELFAST AND OUTER BELFAST) ¹	BORDER COUNTIES REPUBLIC OF IRELAND ²	WESTERN SCOTLAND ³	OVERALL ⁴
DIRECTING	67%	57%	50%	58%
SCRIPT WRITING	67%	86%	100%	83%
WRITING	67%	57%	100%	67%
PRODUCING	100%	71%	100%	83%
DESIGN	33%	86%	100%	75%
PERFORMING	0%	43%	50%	33%
ANIMATION	33%	29%	50%	33%
OTHER	0%	0%	0%	0%

BASE: ¹3 RESPONDENTS, ²7RESPONDENTS, ³2 RESPONDENTS, ⁴12 RESPONDENTS.

Note: Because of the low overall response rates, these results have not been rated as severe, significant or moderate.

3.2.4.2 REPUBLIC OF IRELAND BORDER COUNTIES

- The two greatest skills deficits identified were around sales and marketing skills and business skills.
- Business skills should be developed at advanced or all levels.
- The top two business skills found lacking in the Republic of Ireland were identifying opportunities and networking at national and international levels.
- Sales and marketing skills should be developed at all levels.
- The top two sales and marketing skills found lacking in the Republic of Ireland were pitching and negotiation.
- Craft/technical skills emerged as the next most significant concern.

3.2.4.3 WESTERN SEABOARD OF SCOTLAND

- The two greatest skills deficits identified were in sales and marketing and craft/technical skills.
- Sales and marketing skills should be developed at intermediate levels.
- The top two sales and marketing skills found lacking in western Scotland were pitching and marketing through social media.
- Craft/technical skills should be developed at advanced levels.
- Identifying specific areas of priority in relation to craft/technical skills is difficult from the survey results. However, this emerged as a central skills deficit and therefore some funding to support skills development may be better delivered to companies directly who can then use this to assist with the costs of up-skilling.

TABLE 3.13

Leadership and management skills needs across the Honeycomb eligible area

	NORTHERN IRELAND (EXCL.BELFAST AND OUTER BELFAST) ¹	BORDER COUNTIES REPUBLIC OF IRELAND ²	WESTERN SCOTLAND ³	OVERALL ⁴
SENIOR STRATEGIC LEADERSHIP	100%	60%	50%	60%
HUMAN RESOURCE MANAGEMENT AND TRAINING/DEVELOPMENT PLANNING	0%	60%	25%	40%
DEVELOPING FUNDING MODELS /IDENTIFYING FINANCE SOURCES	100%	80%	75%	80%
COMPANY SUSTAINABILITY AND GROWTH	100%	60%	100%	80%
NEW BUSINESS MODELS	0%	80%	50%	60%
REACHING AUDIENCES IN NEW MARKETS	100%	80%	75%	80%
NETWORKING (INCLUDING INTERNATIONAL)	100%	60%	75%	70%
MID-LEVEL MANAGEMENT	100%	60%	25%	50%
PROJECT MANAGEMENT	100%	60%	25%	50%
DEVELOPING FUTURE LEADERS WITHIN THE COMPANY	0%	60%	50%	50%
OTHER	0%	20%	0%	10%

BASE: ¹1 RESPONDENT, ²5 RESPONDENTS, ³4 RESPONDENTS, ⁴10 RESPONDENTS.

Note: Because of the low overall response rates, these results have not been rated as severe, significant or moderate.

04

Development challenges in the Honeycomb eligible area


4.1 CHALLENGES IN THE HONEYCOMB ELIGIBLE AREA

Honeycomb assessed industry views on the challenges facing growth of the film and broadcast sector in the next five years (see Figure 4.1, see page 99). Key challenges found to face each region are explored in sections 4.2, 4.3 and 4.4.

Overall, access to funding was the top issue that emerged. Over two thirds of respondents (65%) agreed it was a challenge to growth. However regional variations were found. In western Scotland 40% agreed this was an issue, while this was a much more significant challenge for the industry in Northern Ireland and Republic border counties, where 76% and 81% agreed it was an issue limiting growth. Funding supports are available to the film and broadcast sector, however, successfully gaining access to funding is competitive. Crowdfunding is a finance source that has become popular among creative industries. Also because of this it is competitive.


The quote (see opposite page) from Philip Henry of Coral Moon Productions highlights how even when finance sources have been identified, they can still raise challenges.

Adequate access to finance and funding to bridge the gap between creative content ideas and their development into content with commercial return is crucial for growth. This issue emerged in industry interviews, described as the 'chicken and egg' problem. The comments of this production company show how growth is limited to the amount of business that exists. But with more investment in creative ideas, which might be compared to the egg in this context, potentially the sector could grow and allegorically speaking, produce more chickens. The following comments help to illustrate:

 *The other problem is the chicken and egg situation. The sector is only small enough or big enough to support the number of companies that it has. If there was more work there would be more companies."*

Production company one, Honeycomb eligible area.

Again, there is a similar issue with attracting national and international finance to support filmmaking:

 *Trying to raise money outside Ireland for a film project that has no backing in its own territory, whether that be in the north or the south, doesn't really make sense. The first thing the financier is going to ask you, if you are looking for international finance, whether it be a broadcaster or a sales agent, the first thing they are going to ask you is have you got backing in your own territory. Sometimes it can be like the chicken and egg thing, you might not get support here in Ireland unless you can generate interest elsewhere."*

Johnny Gogan, Bandit Films, Republic of Ireland border counties.

The regional case study of the film sector in the state of Hessen in Germany and the structure of supports that exists, illustrates how a regional film industry can benefit from focused investment and funding support (see regional case study, page 96).



It is tough and it is only getting tougher. The thing about Kickstarter [an online crowd sourcing site] is that if you don't hit your target you don't get anything. I used Sponsume. We were looking for £3,000 and we only got £760 but at least we got it, when we didn't hit the target we still got the £760. I was surprised at people giving us £100 here and there. It's getting so hard because everybody is doing it and it is like charity, you can't give to everybody, your pockets aren't deep enough.

Philip Henry, Coral Moon Productions, Northern Ireland

Market related challenges were assessed and another key issue identified was the ability to innovate and respond to consumer and market needs. Emerging as the second biggest issue overall 63% of respondents agreed this was an issue affecting growth. There were however notable differences between the regions as 40% in western Scotland, 88% in Northern Ireland and 70% in the border counties agreed ability to innovate was a challenge impacting on future growth. Overall, access to markets generally (48%) was more of an issue than access to local markets (30%). When asked if there were other challenges facing growth (apart from those outlined in Figure 4.1), respondents across the three regions agreed there were and competition was a central challenge cited.

Challenges relating to staffing were also assessed. Overall, recruiting skilled staff (31%) was more of a challenge than retaining them (20%). Recruitment and retention of skilled staff emerged as a more serious issue in Northern Ireland than the other regions where 47% agreed recruitment was a challenge, and 29% agreed retention of skilled staff was challenging. In addition, among the other issues cited large companies bringing in their own staff was raised.

Also high among the 'other' issues cited was poor broadband access. This was not cited in Northern Ireland as a challenge, however, but was especially highlighted by Scottish respondents. Among the other challenges cited were: low sales expertise, keeping up with new technology, expanding their customer base, cash flow, business growth mentoring, finding clients, poor business skills, general up-scaling, lack of production managers, employment legislation and peripheral location.

4.1.1 MEMBERSHIP OF NETWORKS AND TRADE ASSOCIATIONS

In the Honeycomb region overall, 55% of the film and broadcast sector surveyed said they were not a member of, or affiliated to, an existing creative industries network, trade association or other business network. However 45% said they were. The kinds of organisations, networks and associations those in the film and broadcast sector were members of were also examined. A diverse range of organisations were cited, such as informal and formal networks, creative industry organisations, other business organisations, associations, guilds, unions, forums, academies and groups (see Table 4.1,

page 93). The structure of the film and broadcast industry, for example being composed of freelancers, sole traders, micro and small businesses, makes representative organisations with a strong lobbying functions important so that the interests of this range of independent producers is fairly represented. This has become a more important issue of late. The comments of Johnny Gogan of Bandit Films illustrate that because of the changing structure of the industry, strong professional organisations have become more important:



When I started making films in the late 80s RTÉ was still the big employer and power in the industry and the norm was to work in house... The whole thing is gone in a different direction now, RTÉ employs fewer people... TG4 is the model... It has a small standing staff... there is some in house production of news but everything else is freelanced. I think it is a good model, as long as the industry has a degree of organisation about it. It [the industry] is not so fragmented that policy is dictated by the broadcasters. It is a weakness in our industry. We don't have strong professional organisations."

TABLE 4.1

Type of organisations and examples

TYPE OF ORGANISATION/NETWORK	EXAMPLES OF ORGANISATIONS	
Formal networks	Scottish Community Broadcasting Network Irish Film and TV Network	Banbridge Network Filmmakers Network
Creative industry and other business organisations	Chamber of Commerce Federation of Small Businesses Women in Business Senscot Independent Broadcasters of Northern Ireland	Independent Broadcasters of Ireland Screen Facilities Scotland The Producers Alliance for Cinema and Television (PACT) The Independent Producers Alliance
Associations	Cinema Exhibitors Association Association of Motion Picture and Sound	Industrial Rope Access Trade Association Independent Producers of Scotland
Guilds	Guild of Television Cameramen Directors Guild of Ireland Screen Directors Guild of Ireland	Writers Guild Ireland The American Composers Guild
Academies	British Academy for Film and Television	The Irish Film Academy
Groups	Dublin Editors Group The Media Group	Digital Dundalk
Forums	Theatre Forum	The Studio North Uist Forum
Unions	Artists Union, National Union of Journalists	Broadcasting, Entertainment, Cinematography and Theatre Union (BECTU)
Other organisations	Create Ireland The Sligo Film Commission The Institute of Fundraisers	UK Digital Funding Partnership Third Sector First Film Bank

4.1.2 COLLABORATION AND NETWORKING

Collaboration and potential for collaboration between the film and broadcast sector and other sectors of digital creative industries is detailed in Table 4.2. A good degree of collaboration was identified between the film and broadcast sector and television sector, with 61% stating they collaborate. The possibility of collaboration was also high, with 82% agreeing so. There was also a good degree of collaboration with the film sector, with 62% saying they collaborate. The possibility of collaboration was also high, with 81% agreeing this was a possibility.

Collaboration between interactive media and the film and broadcast sector was low, with 23% saying they collaborate. That said, just over half said there was potential for collaboration. Collaboration with animation companies was lower again, with just 15% of the film and broadcast sector saying they do, but 37% agreed there was potential for collaboration. Collaboration with companies providing facilities for film and television was carried out by 42% and a higher 64% agreed there was potential for collaboration. Collaboration with radio companies was carried out by 25% and 44% agreed there was

potential for collaboration. Collaboration was lowest with computer game design companies, with just 4% saying they collaborated and only 14% agreed there was potential for collaboration. Finally, collaboration between the film and broadcast and music/music technology sector was carried out by 38% of those surveyed, but a higher 60% agreed there was potential for collaboration.

Collaboration between companies in particular activities was also investigated (see Table 4.3, page 98). A low level of collaboration between the film and broadcast sector and other creative industry companies was identified in relation to intellectual property (14%) and product development (19%), however over half saw potential for collaboration in both areas. Collaboration was also low in relation to distribution channels (13%) but greater potential for collaboration was seen by 37%. Almost half saw potential for collaboration in research and development, while just 17% currently collaborate. Significant potential for collaboration was also identified in joint marketing (58%) with 27% collaborating. This was also true in relation to content creation (55%), with 25% collaborating.

Interviews revealed the ways that companies network. Online communities and festivals were examples cited. For example:



Most of the networks that I am a member of are online, such as Studio NI or NI

Filmmakers. You can do a lot of stuff online. It is a lot easier than trying to get everybody free on the same night."

Philip Henry, Coral Moon Productions, Northern Ireland.

The degree to which networking could assist the film and broadcast sector to gain specific services and support was also examined (see Figure 4.2, page 100). Product or service development was most cited (50%), closely followed by access to the latest technological developments (49%). Other skills that a significant portion of those surveyed cited as potentially gained from networking were access to finance (37%) and sales/marketing support (35%). More business was a significant aspect cited among the other elements cited.

TABLE 4.2

Collaboration and potential for collaboration: film and broadcast and other digital creative industry companies

SECTOR	CURRENTLY COLLABORATE	DO NOT COLLABORATE	POTENTIAL FOR COLLABORATION	NO POTENTIAL FOR COLLABORATION
TV	61%	39%	82%	18%
FILM	62%	38%	81%	19%
INTERACTIVE MEDIA	23%	77%	51%	49%
ANIMATION	15%	85%	37%	63%
FACILITIES FOR TV AND FILM	42%	58%	64%	36%
RADIO	25%	75%	44%	56%
COMPUTER GAME DESIGN	4%	96%	14%	86%
MUSIC AND MUSIC TECHNOLOGIES	38%	62%	60%	40%
KEY	High levels 50% - 100%			

BASE: 84 RESPONDENTS

Hessen

hessen-invest-film.de

Hessische Filmförderung



Developing regional film production centres with strong funding supports

The presence of a strong system of funding and support has helped develop the state of Hessen in Germany into a strong regional film production centre. Established in 2002, Hessen Invest Film is a film development state agency based in Hessen. In collaboration with WIBank it operates a fund of up to €5 million where loans are granted to films of all genres, from animation to arthouse, which have commercial potential. Individual loans cannot exceed €1 million and a maximum of 50% of the total budget required can be borrowed.

The fund is open to international applicants, but projects must be a German co-production. Loans are repaid from film profits, and Hessen Invest Film also receives a share of profits in line with the degree of financing provided. Alongside this, Hessen Invest Film offers wider assistance with film projects, such

as acquisition, consulting, commissioning meetings and contract negotiation. Hessen Invest Film has contributed positively to film production in the Hessen region, by for example attracting film projects to the area. Examples of films it provided finance for include the Finnish-German production 'Iron Sky' and the French-German production 'Run Boy Run'. See: www.hessen-invest-film.de

The Hessen Film Fund provides grants and co-finance to support all genres, formats and lengths of film production, providing support for example for screenplay preparation, post-production and distribution. The Cultural Film Fund of the State of Hessen and the Hessischer Rundfunk Film Fund has been working together since 1997 and jointly provide funding under the Hessen Film Fund. It works with a budget of around €2.1 million. An independent

jury evaluates funding applications based on artistic quality and topical relevance. The fund supports the region as a film production centre by stipulating that projects must have a connection with the state of Hessen, such as being made there or feature an aspect of Hessen in the subject matter. See: <http://hessische-filmfoerderung.de/en/selbstdarstellung.aspx>

Supported by the Hessen Ministry of Higher Education, Research and the Arts, as well as being a member of the German Film Commission and the European Film Commissions Network, the Hessen Film Commission assists productions find locations and expertise in the Hessen region. It acts as a facilitator to support film production in Hessen. See: <http://www.film-commission-hessen.de/>

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TABLE 4.3

Collaboration and potential for collaboration: the film and broadcast sector and other creative industry companies in specific areas

AREA	CURRENTLY COLLABORATE	DO NOT COLLABORATE	POTENTIAL FOR COLLABORATION	NO POTENTIAL FOR COLLABORATION
PRODUCT DEVELOPMENT	19%	81%	52%	48%
RESEARCH AND DEVELOPMENT	17%	83%	49%	51%
DISTRIBUTION CHANNELS	13%	87%	37%	63%
JOINT MARKETING	27%	73%	58%	42%
CONTENT CREATION	25%	75%	55%	45%
INTELLECTUAL PROPERTY	14%	86%	51%	49%
OTHER AREAS	5% ¹	95%	4% ²	96%
KEY	High levels 50% - 100%			

BASE: 84 RESPONDENTS

Note: ¹University, community groups, theatre and arts. ²Writers and illustration.

The strong value of networking was also illustrated in the industry interviews. It facilitates the production of content on low budgets. For example, Philip Henry of Coral Moon Productions describes the importance of collaboration when producing the film *Noirland*, made on a budget of £2,000 to £3,000.



Actors want to do it for free because they want something for their show reel, my cameraman was a freelance photographer and he wanted to get into the film side of things. That is all they are really getting out of it, a credit. Most people want to help you out, even with locations people helped out. We filmed out around Leslie Hill, it's a big country estate outside Ballymoney...they didn't charge us anything... Flowerfield have been good... All the music was donated by local bands."

Philip Henry, Coral Moon Productions, Northern Ireland.

FIGURE 4.1

Challenges facing business growth over next five years



20%

Retention of skilled staff



48%

Access to markets

30%

Access to local markets

63%

Innovation/ responding to customer/ market needs

31%

Recruitment of skilled staff

65%

Access to funding

BASE: 84 RESPONDENTS

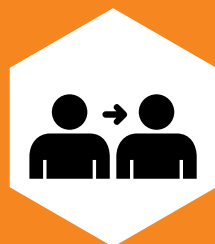
FIGURE 4.2

Services and supports hoped to gain from networking



2%

Leadership and management



25%

Business mentoring



37%

Access to finance

4%

Export development support

27%

Other

49%

Access to latest technological developments

21%

Skills training

29%

Access to market intelligence

50%

Product and service development

35%

Sales and marketing support

BASE: 84 RESPONDENTS

Johnny Gogan from Bandit Films highlights the importance of local talent and resources in making the film *Black Ice*:

“Black Ice would not have happened without the incredible resource and talent that is here in the Sligo-Leitrim region. We wouldn't have been able to make it in another way because not only were the technical talent and a lot of the actors from here, but we just wouldn't have been able to bring in the amount of skills that we would have needed to make the film, we just wouldn't have been able to afford it. It was made for €100,000.”

Johnny Gogan, Bandit Films, Leitrim, Republic of Ireland border counties.

When relationships are built, it can allow companies to access advice and skills that assist in their work and company development. For example:

“We have invested time in building close relationships with broadcasters including Nickelodeon, which means we can pitch our ideas informally and get feedback more quickly. It's really important to work on those relationships.”

Laura Campbell, editorial director, Dog Ears, Northern Ireland.

It is also important that networking happens at a specific time in a company's development, which can then lead to important collaborations. For example, Johnny Gogan of Bandit Films discusses the importance of the correct timing when international networking at festivals happens.

“People need to go out seeking production finance abroad at the right time, either when they have something to show that they have made, or if they have something in development that they have actually raised the money for here.”

Johnny Gogan, Bandit Films, border counties Republic of Ireland.

Laura Campbell of Dog Ears provides a concrete example of the importance of timing related to Dog Ear's attendance at the Children's Media Conference:

“One of the sessions was with Eric Huang and he was doing a pitch session directly afterwards. And it just so happened, it was sheer serendipity, I went along, I showed him the book and he said there and then, we like this, we want to work with you... I mean for us to get an appointment with Eric Huang at that point in time would have been practically impossible.”

Laura Campbell, editorial director, Dog Ears, Northern Ireland.

Local and regional collaboration also helps to support and stimulate the industry locally and regionally. It helps to build the industry from the bottom up, as Alistair Murray, producer with Big Box Network in Scotland describes:

Development challenges in the Honeycomb eligible area



What is starting to happen is that we've already found people that are starting to write that we think can do it professionally, we have already found four acting talents that we think are good enough and have developed enough with us so that we can cast them in our first feature film planned for next year. So they are basically coming from the ground up and they will be working with professional actors that we will cast in certain roles. And we can budget, and do things a lot cheaper up here."

An awareness of the importance of a collaborative, co-operative ethos among companies in the regions was identified. For example, the following quote illustrates:



Together we are stronger...we as individual filmmakers are so small in the scheme of things that if we are actually competing with each other we are actually missing out on opportunities that we could create for each other."

Johnny Gogan, Bandit Films, Republic of Ireland border counties.

Co-operation improves the region's attractiveness and image to potential international collaborators and productions.



I want broadcasters to see Northern Ireland as a place full of strong creative companies. It makes us stronger as a company if there are other companies around doing similar things. We can band together and say look what's happening here...Once people look to a place for quality production it helps everybody."

Laura Campbell, editorial director, Dog Ears, Northern Ireland.

The need for a greater regional focus in policy aiming to develop the film and broadcast industry has emerged from the Honeycomb research. The example of the Västra Götaland region and the city of Trollhättan in western Sweden illustrates how the film industry has been successfully developed on the regional level elsewhere (see regional case study, page 106).

Collaboration across creative industries can also potentially increase revenue generation from content produced, such as interactive media and broadcasting, as this example illustrates:



If Puffin Rock exists as a TV show, how can we make that exist as a game and also to create excitement around a brand... Is it a clever device that allows people to build their own character? We want innovative, inspiring ideas that we can't even think of yet."

Laura Campbell, editorial director, Dog Ears, Northern Ireland.

Clearly local, regional, national and international networking is important to developing important resources for companies and generating new business. This does not happen without significant personal time and financial investment. Development of trust is important. Alistair Murray, producer with Big Box Network in Scotland describes the importance of an openness to working together and development of a real social relationship:



You have got to have the right mind-set if you're going to collaborate. Real partnering takes strong will. It means building relationships based solely on trust and, significantly, it requires a real understanding of the value derived from relationships, and the skills needed to manage them. Up here GoNorth allows people to meet face to face. This is important as at some stage you have got to see the colour of someone's eyes in order to develop a real relationship."

The financial cost and preparation required to effectively network is also illustrated by the following comments:




We are spending an awful lot of money, there has been over £100,000 spent in development, just to attend the festivals and things like that, just to be able to maintain networks and attend those sessions. We are fortunate that we are able to do it, but I imagine for smaller production companies they wouldn't be able to maintain that without a level of funding."

Judy Wilson, production manager, 360 Productions, Northern Ireland.




An active local sector can be an attractor to incoming production - the fact that the Ken Loach film [Jimmy's Hall] was filmed here in north Leitrim, you know it is probably the biggest film ever made in the border counties, a budget of €6 million... And even though the story was set in Leitrim they were looking for locations in Clare and Galway... We contacted them and said no we think you can find the locations here. They came back to Leitrim, hired our location manager from Black Ice, which is a very low budget local film, like a micro budget film and he found locations and Ken said yeah that is what I was looking for. They didn't go to one of the more conventional places that films get made here... The film was going to happen despite us or not, but the fact that it happened here is to do with the initiative.


Johnny Gogan, Bandit Films, Republic of Ireland border counties


 *There is a lot of hard work that goes in to that...you don't just rock up at these things and go 'I would like to produce'. There is so much time in research and development, brainstorming to come up with ideas... you have to go to all of these markets well prepared with all of your information. Smaller companies that don't have the resources would probably find that a barrier because they wouldn't have the manpower. To crack international markets they could find barriers that way."*


Judy Wilson, production manager, 360 Productions, Northern Ireland.


While collaboration was identified, the need for greater collaboration, particularly in relation to accessing funding was highlighted. For example:


 *Maybe that is the way for us to explore collaboration further. If companies can work together while accessing the same funding strands, that would encourage companies to share resources and skills and promote real collaboration."*


Laura Campbell, editorial director, Dog Ears, Northern Ireland.

 *Fear of losing a small part of a big cake is holding us back. I think money paid out should drive collaboration, just as it does with EU money. Rather than getting the money and deciding if you should collaborate after that, it has to be part of the specification, part of the criteria."*


Judy Wilson, production manager, 360 Productions, Northern Ireland.

 *I think there is opportunity for greater collaboration, but it needs to be market driven and it needs to be incentivised. Collaboration needs to be something that the companies themselves want to do and can see commercial value in. There's a genuine need for networking initially to find out who is doing what, in which areas, and then companies need to be incentivised through market opportunities to find partners."*


Jane Kelly, creative director, Big Mountain Productions, border counties Republic of Ireland and Northern Ireland.


International collaboration can be promoted through funds designed with this particular intention. The Nordic Film and TV fund provides one example (see regional case study, page 106).


4.1.3 COLLABORATION OUTSIDE CREATIVE INDUSTRIES

Outside of creative industries, the film and broadcast sector were also asked about other sectors they worked in (see Table 4.4, page 110). The area with the greatest level of involvement was education, where two in five were involved. Companies had produced video or radio content, training videos, worked with universities, colleges, schools and community groups, delivered classes, talks and training. One in five was involved in health, sport or other sectors. Involvement in health involved producing documentaries, health promotion videos and conference videos. Involvement in sport involved work with websites and developing software. Involvement in other areas included tourism, marketing, journalism and web development. However, these areas were not viewed as sectors that those in film and broadcast would like to work. The area of greatest interest was education, where 27% said they would like to work.


Development challenges in the Honeycomb eligible area

Interviews with industry highlight some issues with collaboration in sectors such as health and sport. A lack of understanding about how content is produced and the costs of production are described:

 *We have experience of working with producing training videos or show reels, whether voluntary or private sector. It is not something we would go into now unless we really had to, it proved somewhat problematic. At the level we were doing it most of the companies wanted to have £100,000 of work done for £10,000 and it was difficult to get across to them what they were looking for and what they were willing to pay didn't exactly match. The amount of effort you have to put in to tenders and so on, dealing with the public sector is not worth it. But some companies can make a living out of it."*


 *Bill Morrison, managing director, head of finance and business affairs, MacTV, western Scotland.*


Finding this work can also be challenging because it is outside of creative industries and their main networks. Creating effective channels of communication between the film and broadcast and these wider business sectors would facilitate this process. For example, the following interview quote helps to illustrate:

 *We are looking at both health and tourism sectors. The biggest problem with that is the lack of a tendering process...finding out what is the skill base in each of the companies who could potentially tender for it. There is no exchange between our sector and their sector, you know they just hear about a company and let's approach that company."*


 *Judy Wilson, production manager, 360 Productions, Northern Ireland.*

Combined with this issue, work outside of creative industries can be viewed as less creative, and therefore less attractive to creative filmmakers and producers, for example:

 *When we were setting up Coral Moon, Lorraine the co-director said we should try and do corporates and wedding videos and all that sort of stuff, just to pay the bills. But there is nothing really creative about it for one thing and another, there is so much competition...there's just not enough business."*

 *Philip Henry, Coral Moon Productions, Northern Ireland.*

However, despite these challenges, opportunities are identified. One particular example cited is the potential for a tourism legacy emerging from Game of Thrones, which the following quote illustrates well:

 *These things pin a legend to a place. Like the Spaghetti westerns in that area of Spain, there are still regular tours 50 years later. Game of Thrones will have a legacy which far outlives the production itself. Harry Potter is a good example, the exhibition is now running in two chambers in Leavesden Studios, it is bringing in 14 coach-loads of kids a day, that's 700 kids a day paying £35 a head to look at the Harry Potter experience...*

Västra Götaland and Trollhättan, western Sweden

westswedenfilmservice.com

filmivast.se

Several elements have come together to develop Västra Götaland and Trollhättan as a strong filmmaking region. Regional policy, entrepreneurs and national and international funding have been important. Clustering of the film and broadcast industry in places like Hollywood and London is well known. But media clusters do not have to be located in major cities and areas with a long history of production. Emerging from Trollhättan or 'Trollywood' in western Sweden is the story of the successful development of a film production cluster. Trollhättan is a city of around 54,000 people located in the Västra Götaland region that has a population of around 1.5 million (Statistics Sweden, 2009). Västra Götaland prides itself on being the most prominent region for filmmaking in Sweden. It is said to provide a cost effective and efficient place to produce, with its leading production companies, essential infrastructure and skilled, flexible crew

(West Sweden Film Service, 2014). It boasts the impressive statistic that one third of Swedish films are produced in the region, focused particularly in Trollhättan (Dahlström and Hermelin, 2007). Regional film production grew quickly in the late 1990s in Sweden. National policy aimed to stimulate regional film production and regional production centres were established, one of which is located in the Västra Götaland region, Film i Väst. Achtenhagen (2011) describes how entrepreneurship, political activities and lobbying combined to steer and influence Trollhättan's development. The post production company Zentropa was founded in Trollhättan in the 1990s by three actors and Zentropa planned to produce a minimum of one feature film annually. Plans were also being discussed to develop an old industrial site into a centre for film production, with support from Film i Väst. Existing production companies also relocated to Trollhättan. In addition,

Sweden's membership of the EU in 1995 gave regional production centres access to regional development funds. Film i Väst successfully gained EU funding to expand its focus to support feature films and documentaries in co-finance with the Swedish Film Institute. It has been argued this additional finance has been very important in developing the industry at the regional level. At the national level the aim of regional production centres was to facilitate children and young people become involved in film production, however, Film i Väst also became involved in supporting and facilitating commercial feature film production (Blomgren and Blomgren, 2003; Dahlström and Hermelin, 2007; Achtenhagen, 2011). Films produced in the region have received critical acclaim, such as Lars von Trier's *Dancer in the Dark* that received the Palme d'Or at the Cannes Film Festival in 2000 (Achtenhagen, 2011).

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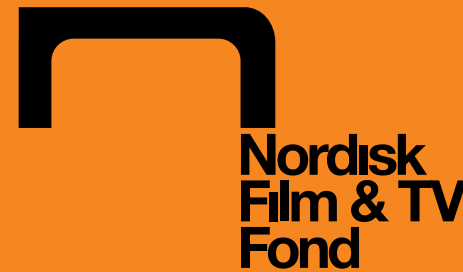


The Nordic Film and TV Fund

nordiskfilmogtvfond.com

The Nordic Film and TV Fund provides top-up finance to support cross national high quality film and TV productions in five Nordic countries - Denmark, Finland, Iceland, Norway and Sweden. The fund also provides wider assistance such as with distribution, dubbing, festivals and skills development. Production companies must be from the Nordic region and the fund is not open to content producers outside of the region. The production must also have a national funding base to be eligible under the fund. Feature films must be distributed within at least two Nordic countries. TV series and documentaries must be broadcast by at least two of the fund's TV partners. Productions eligible for distribution and dubbing funding must have been well received nationally and have a significant audience potential in another

Nordic country. Support for cultural initiatives such as festivals or workshops should develop the professional competence of film and TV professionals in the Nordic region. The Nordic Film and TV Fund also runs Nordic Talents, an annual programme providing a platform for Nordic film school graduates, producers and financiers to meet. Students can apply by submitting a pitch and a number are selected to participate in workshops and to present their pitch to the Nordic Talent jury. Awards for development support are then made based on the Nordic Talent's jury decision. The Nordic Council Film Prize is another initiative under the Nordic Film and TV Fund where the annual prize of 350,000 Danish Krone is awarded to one film.



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TABLE 4.4

Work in niche sectors outside of creative industries

SECTOR	CURRENTLY WORKING	NOT CURRENTLY WORKING	AREA WOULD LIKE TO WORK IN	AREA WOULD NOT LIKE TO WORK IN
HEALTH	21%	79%	17%	83%
EDUCATION	40%	60%	27%	73%
SPORT	20%	80%	17%	83%
OTHER	21%	79%	21%	79%
KEY	High levels 50% - 100%			

BASE: 84 RESPONDENTS

The legacy product will run and run, you'll get years out of it, but it will have a life cycle."

Robert Wilson, director of development, The Linen Mill Studios.

4.1.4 INFRASTRUCTURAL IMPEDIMENTS
Honeycomb also sought to understand what infrastructural impediments to growth faced the film and broadcast sector (see Figure 4.3, page 115). The most significant infrastructural impediment was broadband capacity which was seen as a significant infrastructural impediment, with 62% agreeing so.

This issue was, however, a greater concern in western Scotland and the Republic of Ireland eligible areas compared to Northern Ireland. Road networks were not seen as a major infrastructural impediment, with 80% saying so. Regulatory and legal issues were not seen as major infrastructural impediments with 80% agreeing so.

4.1.5 KEY DEVELOPMENT CHALLENGES AND RECOMMENDATIONS

The central challenges emerging from this research that will limit the growth of the film and broadcast sector are summarised in this section. Some ways to assist overcoming these problems are also suggested.

- Adequate access to finance and funding to bridge the gap between creative ideas and their development into commercial content is crucial for growth. Simplification of the funding process could assist access. Creative Scotland has recently simplified its funding models and agencies in Northern Ireland and the Republic of Ireland could assess if replicating a similar approach could be merited.
- Collaboration within the film and broadcast sector, or between this sector and wider creative industries, as a requirement of particular funding schemes could increase the levels of collaboration between companies and also facilitate funding to have wider benefit.
- Greater recognition of the economic potential of the sector is needed, which could be proven by investment in research and development to develop ideas for content and valuable future intellectual property.
- Strong representative organisations, with lobbying functions, within the film and broadcast sector would give this fragmented industry greater bargaining power within the political and commercial arena.
- Increased support for attending international trade events and festivals, focused on supporting companies to expand and develop a product in development, or seek international partners to expand a product's reach, would appear to facilitate growth better than ad hoc support for international networking.
- Introduce a degree of obligation on international productions availing of tax advantages and funding in a region to source skills locally where available. This could increase the local economic impact of major international productions.
- Broadband capacity is a key infrastructural challenge identified, however this varies between the Honeycomb eligible areas (see sections 4.2.5, 4.3.5 and 4.4.5 for key infrastructure issues in each region).
- Develop the film and broadcast sector's profile as a key industry on the regional level and promote its successes and potential as an international brand. This would increase the recognition of the sector and potentially attract inward investment.

4.2 DEVELOPMENT CHALLENGES - NORTHERN IRELAND (EXCLUDING BELFAST AND GREATER BELFAST)

4.2.1 CHALLENGES

Honeycomb assessed the significance of a number of challenges to the film and broadcast sector (see Figure 4.4, page 115). The highest proportion (88%) of Northern Ireland respondents agreed that an ability to innovate and respond to consumer and market needs was a challenge to business growth, closely followed by access to funding (76%). Almost half (47%) agreed recruitment of skilled staff was a challenge and 29% agreed retaining them was also an

Development challenges in the Honeycomb eligible area

issue. Access to markets was seen as a challenge for 41%, and 35% agreed access to local markets was. A number of other challenges were also cited such as the economic downturn, the fast pace of change and a lack of sponsorship. The other challenge most commonly cited was that large companies bring in their own staff.

Industry interviews help to further illustrate the nature of these challenges and also reveal other challenges to growth. One problem highlighted was that the film and broadcast industry is not viewed strongly enough as an important industry with economic growth potential:



I think there is an issue of commercial credibility between the creative sector and the business community that we each need to address. I have given talks to the business community...I always start by saying that everybody thinks creatives can't make money... and we are here to prove them wrong! Things are changing and it is great to see formats selling abroad... and dramas selling abroad. There is substantial commercial opportunity in the sector. Game of Thrones has generated 100s of

millions of pounds for the local economy as well as rewards for its creators and investors."

Jane Kelly, creative director, Big Mountain Productions, Border counties Republic of Ireland and Northern Ireland.

A broader culture of support is also needed, from the media and wider agencies, and not just those that are creative and culturally focused. For example Philip Henry of Coral Moon Productions explains how the media can have both positive and negative impacts on the local film industry:



The local papers have always been very supportive, but at the Belfast Film Festival, mine and George [Clarke]'s films were shown back to back and the Belfast Telegraph rubbished both of them...In my review, they wrote three paragraphs criticising it. Then they said at the end...the film has lots of positive points too. Why didn't they write three paragraphs about the positive points and say at the end it has negative points too? It's really sad. Obviously don't compare us to Game of Thrones, they have got a million times the budget we have, but

compare me with any other film that was made for £3,000 and then tell me whose was better."

A national strategy for Northern Ireland, and regional policy for areas outside of the Belfast and greater Belfast area, would be one way forward to strengthening the industry. For example, the comments of Laura Campbell, editorial director with Dog Ears help to illustrate this point:



We need a strategy for promoting Northern Irish creative industries as a group. A bit more joined up thinking, promote Northern Ireland creative industries as a brand and make it easier for companies to work with us, make it easier to have co-productions... You need people here who are prepared to blaze a trail, take risks and create a sense of a hub."

However it also emerged that the presence of Game of Thrones in Northern Ireland has improved the identity of the industry. For example:

Development challenges in the Honeycomb eligible area



It is great to see Game of Thrones provide... ongoing jobs and training for years to come. The sector is capable of creating sustainable employment within and outside the film business."

Jane Kelly, creative director, Big Mountain Productions, Border counties Republic of Ireland and Northern Ireland.



The way Northern Ireland is perceived in the industry has changed since Game of Thrones came here."

Robert Wilson, director of development, The Linen Mill Studios.

While Game of Thrones is a success story, continuing to attract major international productions will be an issue for the future sustainability of this level of success. Addressing wider skills issues and infrastructural challenges are therefore central for Northern Ireland to continue to develop in this manner.

The film and broadcast industry in Northern Ireland may benefit from developing strengths in particular genres of film and television. Philip Henry of Coral Moon Productions for example highlights the need to develop a strong presence in particular film genres:



This is why I wanted to start making genre films in this country, because it is something we don't really have. Hong Kong is known for its Kung Fu films and the French are known for a certain style of film. Northern Ireland doesn't really have an identity in films. There is nothing you can say is a Northern Ireland film, apart from maybe around the troubles."

Philip Henry, Coral Moon Productions, Northern Ireland.


While companies in the region face challenges, positive aspects also emerged. In particular the fact that the industry is growing and developing in Northern Ireland gives companies more freedom to lead the way and develop without too much pressure from stronger business peers working in the same location.



We're slightly out of the loop over here, in contrast to companies based in London. And while that seems to inhibit some people, other companies here clearly have a more robust attitude: get on with it, get it out there, never mind what you think your competitors are doing, or what the bigger companies in London are doing. Rather than being crushed by the challenges, some companies display a more maverick approach, which is great."

Laura Campbell, editorial director, Dog Ears, Northern Ireland.


Also, while funding is a challenge and successfully gaining funds is competitive, there are still opportunities. Laura Campbell, editorial director with Dog Ears, explains how the company takes advantage of funding available in Northern Ireland that might not be available to them elsewhere:

 *I don't think I would be able to do what I am doing here in London, it is very specific to Northern Ireland, because of the funding we can access here... from the Arts Council, from Invest NI, from NI Screen. The way that we have set up our business is very dependent on funding which we wouldn't be able to access in London. There are more companies in London trying to do what we are doing here, so that is one of the benefits of being slightly on the periphery... We would have needed more money to do the things that we have done. We did everything on a shoestring, we stretched every fiver as far as it would go, elastic fivers we talk about, we have utilised every penny."*

Laura Campbell, editorial director, Dog Ears, Northern Ireland.


Another important aspect of developing the film and broadcast sector are facilities to capture an increased number of productions and larger productions. Robert Wilson of the Linen Mill Studios explains how the Linen Mill Studio developed. The building, site and location had a lot of advantages that made it suitable to develop into a film and television studio.

The proximity to post production, for example, is an advantage:

 *Pinewood studios is 45 minutes from Soho. Banbridge is 30 minutes from Belfast. Why I mention Soho is because that is where a lot of post-production happens. In Northern Ireland that happens in Holywood, The Linen Mill Studios is closer to our post-production than Pinewood is to Soho."*

Robert Wilson, Director of Development, The Linen Mill Studios.

However, developing film and television facilities and studios is not without its challenges. Robert Wilson of the Linen Mill Studios describes the range of issues:

 *You need dark, you need quiet, you need access, you need ancillary buildings, you need good power... you need cranes, you need to soundproof it, you need certain levels of light, you need a floor of a certain rating to take heavy equipment... A 20,000 square foot shed, might cost £4 to £4.5 million to develop. To get that back in the traditional business model of capital finance, you*

need to be renting it for £450,000 per year. To get that rent guaranteed for 10 years is very difficult if not impossible in film and television. That is a challenge for investors, bankers and the industry."

Developing studios requires investment and some level of government backing would assist other regions to develop their studio facilities.

4.2.2 MEMBERSHIP OF NETWORKS AND TRADE ASSOCIATIONS

Of those surveyed in the eligible area of Northern Ireland, 29% of respondents cited that they were a member of or affiliated to a network or trade association and 71% said they were not. This was the lowest level across the three eligible areas. The organisations cited included PACT, BECTU, Northern Ireland Screen, as well as informal networks.

FIGURE 4.3

Infrastructural impediments

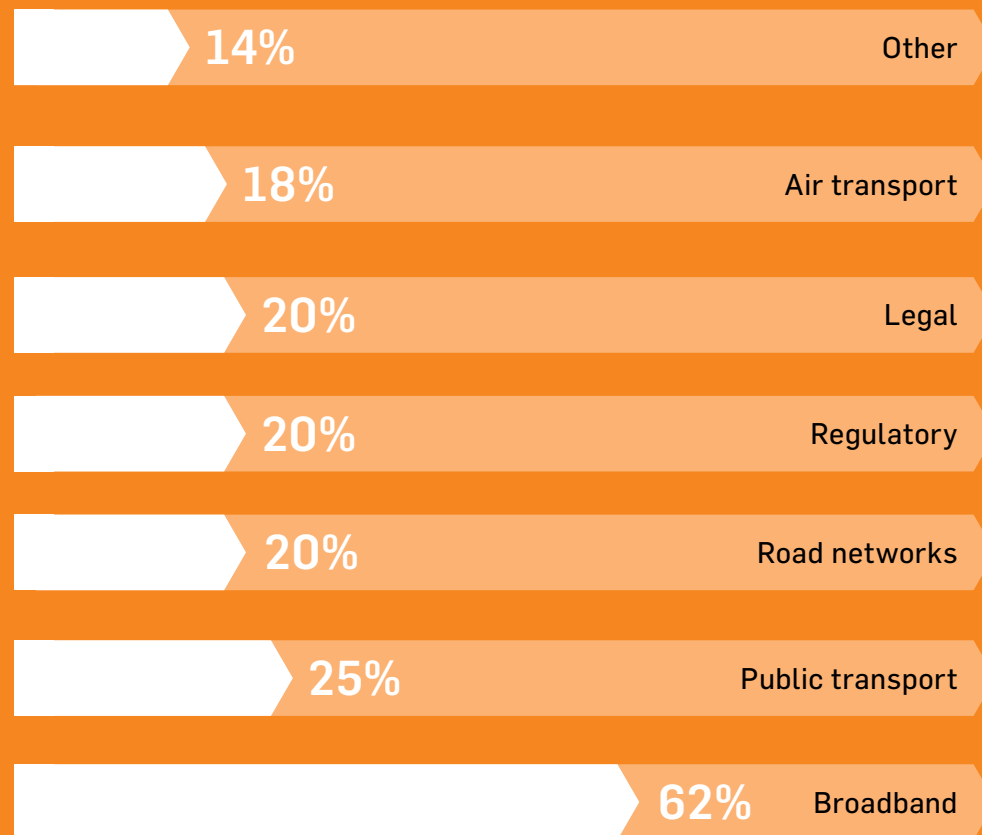


FIGURE 4.4

Challenges facing business growth over next five years Northern Ireland (excluding Belfast and greater Belfast)



BASE: 17 RESPONDENTS

4.2.3 COLLABORATION AND NETWORKING

A high level of collaboration, and potential for collaboration, was found to exist between television and film sectors in Northern Ireland. In addition, the Honeycomb survey identified high levels of potential collaboration between the film and broadcast sector and facilities for film and television and music/music technologies (see Table 4.5, page 118). Existing and potential for collaboration was also examined in specific areas of work (see Table 4.6, page 119). A high potential for collaboration was identified in the film and broadcast sector in the areas of product development, joint marketing, content creation and intellectual property.

4.2.4 COLLABORATION OUTSIDE CREATIVE INDUSTRIES

Honeycomb was also interested to understand the level of interest in work outside of creative industries and Table 4.7 (see page 120) displays the survey results for Northern Ireland. A high level of interest or current work was not found in the areas of health, education, sport or other areas.

4.2.5 INFRASTRUCTURAL IMPEDIMENTS

Honeycomb asked the Northern Ireland film and broadcast sector about infrastructural issues facing their business (see Figure 4.5, page 131). The top infrastructural challenge that emerged from the survey was broadband, however, this was just by two fifths of respondents.

While broadband was also highlighted as an issue for some companies, interviews with industry revealed a more complex picture. Companies based in Derry city in particular felt road and air communications created a major obstacle to their day to day business. For example:



The main road between Derry and Belfast is not a dual carriageway and it is not a motorway. It is ridiculous when you are bringing anybody over here... If it was, you certainly wouldn't be taking two hours to get from Belfast to Derry... Flights as well, you know in and out of Derry... They need to look at the bigger picture, the whole of Northern Ireland and the connections. Even from here to Dublin, the connection between Derry and

Dublin is diabolical. People would actually drive to Belfast to drive the main road to Dublin."

Judy Wilson, production manager, 360 Productions, Northern Ireland.



Infrastructure is something that we come up against, maybe once a week. We have a quarterly meeting with Penguin and Cartoon Saloon and we try to spread it around between London and Kilkenny. It's totally impractical for the Penguin team to come to Derry because of the difficulty in getting in and getting out. We are trying to say to broadcasters and potential co-production partners that we are here, we are open for business, we want to talk to you but there's no denying that it's a real pain to get here. If you look at the flight schedule out of Derry to London it is just ridiculous and completely unworkable. Nine times out of 10 we have to go to Belfast to get a flight that will get us to London at a reasonable hour, which means leaving Derry at an ungodly one."

Laura Campbell, editorial director, Dog Ears, Northern Ireland.

Also, more generally being located outside of Belfast was cited as a disadvantage in industry interviews to engaging with commissioners, key state agencies and wider networks. For example, Philip Henry of Coral Moon Productions describes the difficulty in becoming involved in a filmmaker group because of his location:



There is a thing called 'Shooters in the Pub', everyone gets together in a pub... But it is based in Belfast... We tried to get something similar going in the area, but it never really happened. There just weren't enough of us in the area... Maybe it's time we try again because there are more filmmakers around now."

4.2.6 KEY DEVELOPMENT CHALLENGES AND RECOMMENDATIONS

- Communications infrastructure inhibits business activities. Road development between Derry city and Belfast and a better flight service from Derry city airport within Ireland and internationally would aid in overcoming this barrier.
- Sustainability of the television industry post Game of Thrones is an issue policymakers should engage with and work to attract other major international productions to Northern Ireland.

- A strategy for developing the regional film and television industry in Northern Ireland would assist industry development. Focusing on developing strengths in particular genres could give such a plan a more strategic, focused approach.
- Low trade organisation membership was found in Northern Ireland. Increased membership and interaction with existing organisations or the development of a strong representative organisation, with lobbying functions, within the region could help strengthen the industry.
- Industry has shown a strong interest in increased collaboration across creative industries and within their own sector in specific areas of work. This approach should be supported and encouraged.

4.3 DEVELOPMENT CHALLENGES - REPUBLIC OF IRELAND BORDER COUNTIES

4.3.1 CHALLENGES

In the Republic of Ireland the highest proportion (81%) cited access to funding as a challenge to business growth, closely followed by an ability to innovate and respond to consumer and market needs (70%). Just over a fifth (22%) agreed recruitment

of skilled staff was a challenge and 19% agreed retaining them was also an issue. Just over half (51%) agreed access to markets was a challenge, and 35% agreed access to local markets was. The main other challenges cited were competition and that large companies bring in their own staff. A number of other challenges were also highlighted such as the economic downturn, poor broadband, business expansion and business skills.

Industry interviews also reveal broader challenges. As was already highlighted in an earlier section of this report, a supportive facilitative environment is important to develop the industry. The comments of Johnny Gogan from Bandit Films based in Leitrim illustrate this point well:



What can kill people's creativity is a lack of opportunity so what you are trying to do is build a sense of opportunity in the sector here in this region. That doesn't preclude people from going and working elsewhere but you are now talking about a group of people who have a certain commitment to work here, which needs to be honoured, nurtured and appreciated."

TABLE 4.5

Collaboration and potential for collaboration: film and broadcast and other digital creative industry companies

SECTOR	CURRENTLY COLLABORATE ¹ (NI EXCL. BELFAST)	CURRENTLY COLLABORATE ² (OVERALL)	POTENTIAL FOR COLLABORATION ¹ (NI EXCL. BELFAST)	POTENTIAL FOR COLLABORATION ² (OVERALL)
TV	82%	61%	88%	82%
FILM	71%	62%	82%	81%
INTERACTIVE MEDIA	6%	23%	41%	51%
ANIMATION	24%	15%	24%	37%
FACILITIES FOR TV AND FILM	41%	42%	71%	64%
RADIO	18%	25%	29%	44%
COMPUTER GAME DESIGN	6%	4%	18%	14%
MUSIC AND MUSIC TECHNOLOGIES	24%	38%	59%	60%
KEY	High levels 50% - 100%			

BASE: ¹17 RESPONDENTS, ²84 RESPONDENTS.

TABLE 4.6

Collaboration and potential for collaboration: the film and broadcast sector and other creative industry companies in specific areas

AREA	CURRENTLY COLLABORATE ¹ (NI EXCL. BELFAST)	CURRENTLY COLLABORATE ² (OVERALL)	POTENTIAL FOR COLLABORATION ¹ (NI EXCL. BELFAST)	POTENTIAL FOR COLLABORATION ² (OVERALL)
PRODUCT DEVELOPMENT	18%	19%	41%	52%
RESEARCH AND DEVELOPMENT	12%	17%	41%	49%
DISTRIBUTION CHANNELS	12%	13%	18%	37%
JOINT MARKETING	18%	27%	41%	58%
CONTENT CREATION	18%	25%	41%	55%
INTELLECTUAL PROPERTY	6%	14%	47%	51%
OTHER AREAS	12%	5%	12%	4%
KEY	High levels 50% - 100%			

BASE: ¹17 RESPONDENTS, ²84 RESPONDENTS.

TABLE 4.7

Work in niche sectors outside of creative industries

SECTOR	CURRENTLY WORKING ¹ (NI EXCL. BELFAST)	CURRENTLY WORKING ² (OVERALL)	AREA WOULD LIKE TO WORK IN ¹ (NI EXCL. BELFAST)	AREA WOULD LIKE TO WORK IN ² (OVERALL)
HEALTH	18%	21%	12%	17%
EDUCATION	24%	40%	12%	27%
SPORT	12%	20%	18%	17%
OTHER	12%	21%	12%	21%
KEY	<div></div> High levels 50% - 100%			

BASE:¹17 RESPONDENTS, ²84 RESPONDENTS.

TABLE 4.8

Collaboration and potential for collaboration: film and broadcast and other digital creative industry companies

SECTOR	CURRENTLY COLLABORATE ¹ (BORDER COUNTIES ROI)	CURRENTLY COLLABORATE ² (OVERALL)	POTENTIAL FOR COLLABORATION ¹ (BORDER COUNTIES ROI)	POTENTIAL FOR COLLABORATION ² (OVERALL)
TV	57%	61%	86%	82%
FILM	57%	62%	81%	81%
INTERACTIVE MEDIA	27%	23%	70%	51%
ANIMATION	14%	15%	46%	37%
FACILITIES FOR TV AND FILM	51%	42%	68%	64%
RADIO	27%	25%	59%	44%
COMPUTER GAME DESIGN	5%	4%	19%	14%
MUSIC AND MUSIC TECHNOLOGIES	54%	38%	76%	60%
KEY	High levels 50% - 100%			

BASE: ¹32 RESPONDENTS, ²84 RESPONDENTS.

TABLE 4.9

Collaboration and potential for collaboration: the film and broadcast sector and other creative industry companies in specific areas

AREA	CURRENTLY COLLABORATE ¹ (BORDER COUNTIES ROI)	CURRENTLY COLLABORATE ² (OVERALL)	POTENTIAL FOR COLLABORATION ¹ (BORDER COUNTIES ROI)	POTENTIAL FOR COLLABORATION ² (OVERALL)
PRODUCT DEVELOPMENT	22%	19%	65%	52%
RESEARCH AND DEVELOPMENT	22%	17%	62%	49%
DISTRIBUTION CHANNELS	16%	13%	57%	37%
JOINT MARKETING	32%	27%	73%	58%
CONTENT CREATION	32%	25%	73%	55%
INTELLECTUAL PROPERTY	19%	14%	70%	51%
OTHER AREAS	3%	5%	3%	4%
KEY	High levels 50% - 100%			

BASE: ¹37 RESPONDENTS, ²84 RESPONDENTS.

TABLE 4.10

Work in niche sectors outside of creative industries

SECTOR	CURRENTLY WORKING ¹ (BORDER COUNTIES ROI)	CURRENTLY WORKING ² (OVERALL)	AREA WOULD LIKE TO WORK IN ¹ (BORDER COUNTIES ROI)	AREA WOULD LIKE TO WORK IN ² (OVERALL)
HEALTH	19%	21%	11%	17%
EDUCATION	38%	40%	30%	27%
SPORT	22%	20%	19%	17%
OTHER	24%	21%	27%	21%
KEY	High levels 50% - 100%			

BASE: ¹37 RESPONDENTS, ²84 RESPONDENTS.

TABLE 4.11

Collaboration and potential for collaboration: film and broadcast and other digital creative industry companies

SECTOR	CURRENTLY COLLABORATE ¹ (WESTERN SCOTLAND)	CURRENTLY COLLABORATE ² (OVERALL)	POTENTIAL FOR COLLABORATION ¹ (WESTERN SCOTLAND)	POTENTIAL FOR COLLABORATION ² (OVERALL)
TV	53%	61%	73%	82%
FILM	63%	62%	80%	81%
INTERACTIVE MEDIA	27%	23%	33%	51%
ANIMATION	13%	15%	33%	37%
FACILITIES FOR TV AND FILM	30%	42%	57%	64%
RADIO	27%	25%	33%	44%
COMPUTER GAME DESIGN	0%	4%	7%	14%
MUSIC AND MUSIC TECHNOLOGIES	27%	38%	40%	60%
KEY	High levels 50% - 100%			

BASE: ¹30 RESPONDENTS, ²84 RESPONDENTS.

TABLE 4.12

Collaboration and potential for collaboration: the film and broadcast sector and other creative industry companies in specific areas

AREA	CURRENTLY COLLABORATE ¹ (WESTERN SCOTLAND)	CURRENTLY COLLABORATE ² (OVERALL)	POTENTIAL FOR COLLABORATION ¹ (WESTERN SCOTLAND)	POTENTIAL FOR COLLABORATION ² (OVERALL)
PRODUCT DEVELOPMENT	17%	19%	43%	52%
RESEARCH AND DEVELOPMENT	13%	17%	37%	49%
DISTRIBUTION CHANNELS	10%	13%	23%	37%
JOINT MARKETING	27%	27%	50%	58%
CONTENT CREATION	20%	25%	40%	55%
INTELLECTUAL PROPERTY	13%	14%	30%	51%
OTHER AREAS	3%	5%	0%	4%
KEY	High levels 50% - 100%			

BASE: ¹30 RESPONDENTS, ²84 RESPONDENTS.

TABLE 4.13

Work in niche sectors outside of creative industries

SECTOR	CURRENTLY WORKING ¹ (WESTERN SCOTLAND)	CURRENTLY WORKING ² (OVERALL)	AREA WOULD LIKE TO WORK IN ¹ (WESTERN SCOTLAND)	AREA WOULD LIKE TO WORK IN ² (OVERALL)
HEALTH	27%	21%	27%	17%
EDUCATION	53%	40%	33%	27%
SPORT	23%	20%	13%	17%
OTHER	23%	21%	20%	21%
KEY	High levels 50% - 100%			

BASE: ¹30 RESPONDENTS, ²84 RESPONDENTS.

In addition, a direct focus on the film and broadcast sector in regional development policy, as well as a regional focus in film and broadcast policy is viewed as important:



The existence of a regionalised film and television sector is something worth fighting for because technology has made it possible and the increased centralisation of the country makes it desirable that things aren't like that. You can see how the country is developing coming out of the recession. Dublin is going to take-off and the east coast with it, possibly to the detriment to the rest of the country because planning for the kind of success that we are talking about hasn't happened, that is productive film and television companies based in the regions, there just hasn't been a strategy there. The Irish Film Board has more or less acknowledged that they don't have a regional policy."

Johnny Gogan, Bandit Films, Leitrim, Republic of Ireland border counties.

The success of the animation industry in the Dublin region is a case in point of how strong local development has occurred with companies forging a path for themselves but also working collaboratively to increase the profile of the area internationally:



In Dublin, companies... like Brown Bag, Kavalier and Cartoon Saloon in Kilkenny... 10 or 12 years ago they were tentatively putting the feelers out there. They were saying: look we have this great project, we're based in Ireland and RTÉ is on board and we can access a tax credit and other funding. They sold themselves really well, forged those relationships and then they showed people that they could deliver. And once they had a couple of productions under their belt it became very easy for broadcasters and other companies like licensing companies and publishers to see Dublin and the Irish Republic as a place to go and meet lots of different types of production companies. They created a brand in a way, even though they were separate companies. They all seemed to know each other, they supported each other... they presented a really strong united front."

Laura Campbell, editorial director, Dog Ears, Northern Ireland.

4.3.2 MEMBERSHIP OF NETWORKS AND TRADE ASSOCIATIONS

In the Republic of Ireland film and broadcast sector, almost half said they were a member of a network or trade association and just over a half said they were not. The organisations cited included the Irish Film and Television Network, the Directors Guild of Ireland, Independent Broadcasters of Ireland, as well as informal networks.

4.3.3 COLLABORATION AND NETWORKING

A high level of collaboration, and further potential for collaboration, was found to exist within the television and film sector. High levels were also found in the areas of facilities for television and film and music/music technologies in the Republic of Ireland border counties. In addition, the Honeycomb survey identified high levels of potential collaboration between the film and broadcast sector with interactive media and radio (see Table 4.8, page 121). Existing and potential for collaboration was also examined in specific areas of work with a high potential for collaboration was identified in all areas (see Table 4.9, page 122).

4.3.4 COLLABORATION OUTSIDE CREATIVE INDUSTRIES

Honeycomb was also interested to understand the level of interest in work outside of creative industries and Table 4.10 (page 123) displays the survey results. A high level of interest or current work was not found in the areas of health, education, sport or other areas.

4.3.5 INFRASTRUCTURAL IMPEDIMENTS

Honeycomb asked the Republic of Ireland film and broadcast sector about infrastructural issues facing their business (see Figure 4.7, page 132). The top infrastructural challenge that emerged from the survey was broadband. Industry interviews also revealed how broadband quality affects day to day business. For example, Johnny Gogan from Bandit Films based in Leitrim explains:



We are doing a project at the moment for somebody in London and they needed something urgently on Friday. With a proper broadband connection they would have had it from us on Friday evening. As it was we had to courier it...You certainly felt the vulnerability of not having it, it makes you feel that little bit more remote and look that little bit more remote."

4.3.6 KEY DEVELOPMENT CHALLENGES AND RECOMMENDATIONS

- Investigation into the feasibility of development of a film and television studio in the border counties would help to better understand the place of facilities in developing the industry in this region.
- The Irish government announced plans in April 2014 to develop broadband quality in rural Ireland (DCENR, 2014). The urgency of this plan is underscored by the findings of this research.
- A strategy for developing the regional film and television industry in the border counties of the Republic of Ireland would assist industry development. Focusing on developing strengths in particular genres could give such a plan a more strategic approach.
- Low trade organisation membership was found in the border counties of the Republic of Ireland. Increased membership and interaction with existing organisations or the development of a strong representative organisation, with lobbying functions, within the region would help strengthen the industry.
- Industry has shown a strong interest in increased collaboration across creative industries and within their own sector in specific areas of work.

Increased levels of collaboration should be supported and encouraged.

4.4 DEVELOPMENT CHALLENGES – WESTERN SEABOARD OF SCOTLAND

4.4.1 CHALLENGES

Challenges cited by the film and broadcast sector in western Scotland differed from patterns identified in the eligible areas of Northern Ireland and the Republic of Ireland. The greatest proportion (47%) of respondents agreed that access to markets was a challenge impacting on business growth. However access to local markets was only cited by 20%. Access to funding and an ability to innovate and respond to consumer and market needs were challenges to business growth cited by 40%. These issues were common across the three areas, but viewed as challenge by fewer respondents in Scotland than the other Honeycomb areas. One third (33%) agreed recruitment of skilled staff was a challenge and 17% agreed retaining them was also an issue. A number of other challenges were also cited such as poor broadband, competition, keeping up with new technology, poor business skills, location and selling advertising.

Industry interviews also reveal broader challenges that correspond with issues found in the other Honeycomb regions. Alistair Murray, producer with Big Box Network explains the key elements needed to stimulate the industry - public sector support, strong industry networks and enabling technologies:



Creative content industries can flourish almost anywhere if three key criteria are met: with enabling technology today we have the ability to continue relationships across time and space, with an empathic public sector, working together with the private sector we can solve problems and continue to provide the infrastructures needed to develop further, and when like minds seek each other out we can show anyone that being rural is an asset, and that being smaller actually works. We now have a kernel going on. We are talking to decision makers in the area we live and we are trying to build an industry at a certain pace. If you go too quickly there won't be enough people to do it. If you push the education aspect too quick they will leave and go California, or London, or Dublin or wherever."

Alistair Murray also highlights that there can also be a drain of creative talent from places such as Scotland if growth does not occur at the correct pace. Growth in the film and broadcast sector does not have to concentrate around major cities. Location can be a challenge, but a wider recognition of the industry outside of main centres and engagement with it can help overcome this. For example the comments of Bill Morrison, managing director at MacTV help to illustrate this point:



People talk about being beyond the M25, you can't get much further than here... I have heard many tales from other companies who are not based in a central area, making an appointment to see a commissioner and travelling to Glasgow, travelling to London only to find that the commissioner has forgotten about them or got another meeting that day. These commissioners are used to people being around the corner if they pop around the corner and the commissioner is not there it is not a big deal so they are not very sympathetic to companies that are further away. Because of our location and the cost of getting to a commissioner we have got to be certain that the commissioner is going to be there."

4.4.2 MEMBERSHIP OF NETWORKS AND TRADE ASSOCIATIONS

In the film and broadcast sector on the western seaboard of Scotland, half of respondents were members of networks or trade associations and half were not. The organisations cited included the Federation of Small Businesses, Screen Facilities Scotland and the Scottish Community Broadcasting Network.

4.4.3 COLLABORATION AND NETWORKING

A high level of collaboration, and further potential for collaboration, was found to exist within the television and film sectors in this region. In addition, the Honeycomb survey identified high levels of potential collaboration between the film and broadcast sector with facilities for television and film (see Table 4.11, page 124). Existing and potential for collaboration was also examined in specific areas of work with a high potential for collaboration identified in joint marketing. More than a third identified product development, research and development and content creation as areas of potential collaboration (see Table 4.12, page 125).

4.4.4 COLLABORATION OUTSIDE CREATIVE INDUSTRIES

Honeycomb was also interested to understand the level of interest in work outside of creative industries and Table 4.13 (page 126) displays the survey results. A high level of current work was found in the education sector, but a high interest in work was not found in the areas of health, education, sport or other areas.

4.4.5 INFRASTRUCTURAL IMPEDIMENTS

Honeycomb asked the film and broadcast sector on the western seaboard of Scotland about infrastructural issues facing their business (see Figure 4.9, page 133). The top infrastructural challenge that emerged from the survey was broadband. Digital Scotland is investing in superfast broadband across Scotland and aims to deliver world class connectivity by 2020 (Scottish Government, 2014).

Industry interviews in western Scotland also revealed how broadband quality impacts on day to day business. In addition road and air transport and general connectivity were also issues cited. Air travel is possible, but is costly. For example the comments of Alistair Murray Producer with Big Box Network help to illustrate:



We have an airport 10 miles from where I am, but if I wanted to fly from Wick to Norwich it would be about £750 to £850 return, so people don't use it, the only people that use it up here are people in the oil industry."

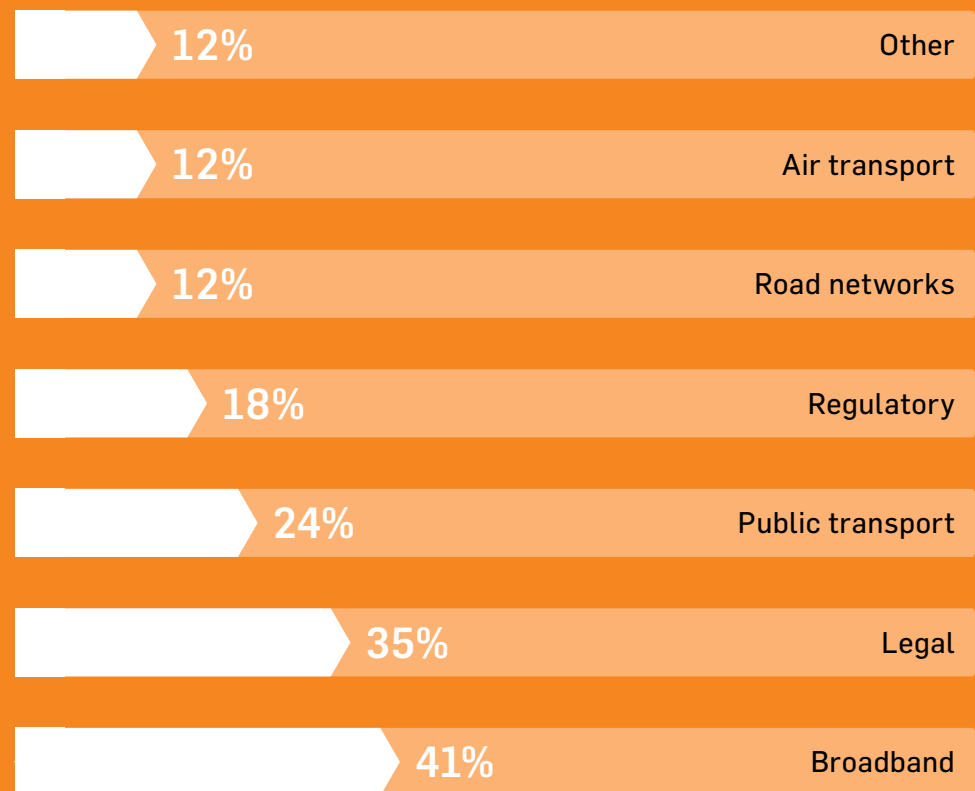
4.4.6 KEY DEVELOPMENT CHALLENGES AND RECOMMENDATIONS

- Broadband quality was a key infrastructural issue identified in western Scotland. Improving broadband quality is a necessary priority.
- Market access was also a key challenge identified. Increased support for attending international trade events and festivals, focused on supporting companies to expand or develop a product in development, or seek international partners to expand a product's reach, could therefore be particularly important in western Scotland.

- A strategy for developing the regional film and television industry in western Scotland would assist industry development. Focusing on developing strengths in particular genres could give such a plan a more focused approach.
- Half of respondents from western Scotland were members of networks and trade organisations. A regional organisation representing the interests and challenges facing the film and broadcast sector in the western region of Scotland could strengthen the industry.
- Increasing collaboration across creative industries, and within the sector in specific areas of work, should be supported and encouraged.

FIGURE 4.5

Infrastructural impediments Northern Ireland (excluding Belfast and greater Belfast)



BASE: 17 RESPONDENTS

FIGURE 4.6

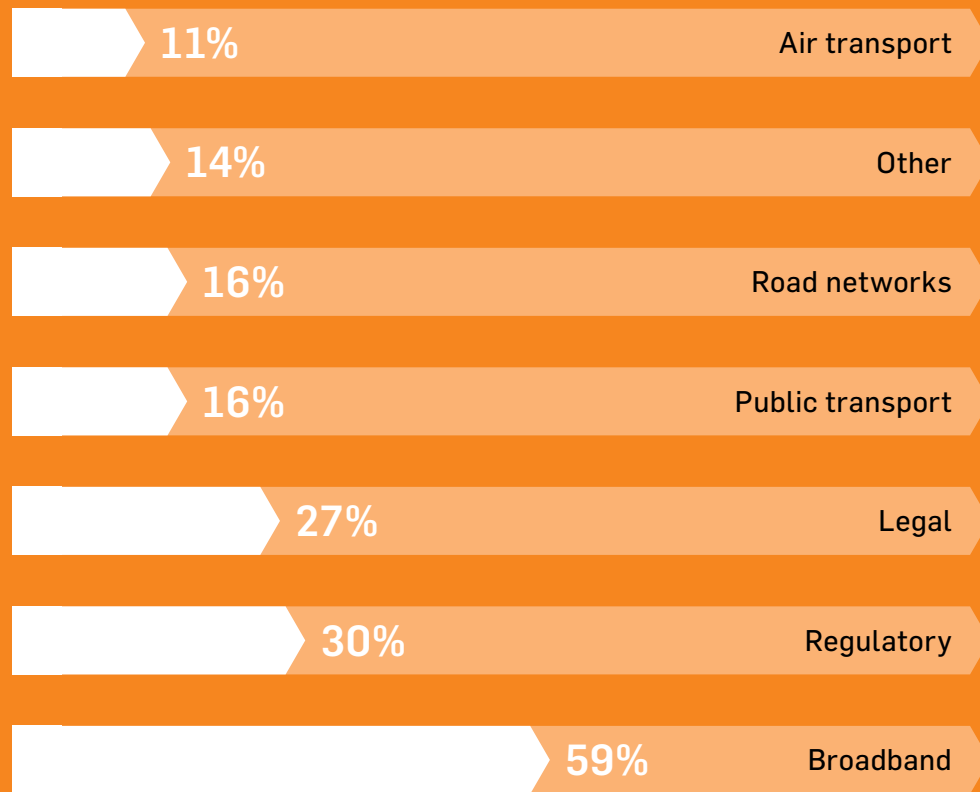
Challenges facing business growth over next five years Republic of Ireland border counties



BASE: 37 RESPONDENTS

FIGURE 4.7

Infrastructural impediments Border counties Republic of Ireland



BASE: 37 RESPONDENTS

FIGURE 4.8

Challenges facing business growth over next five years

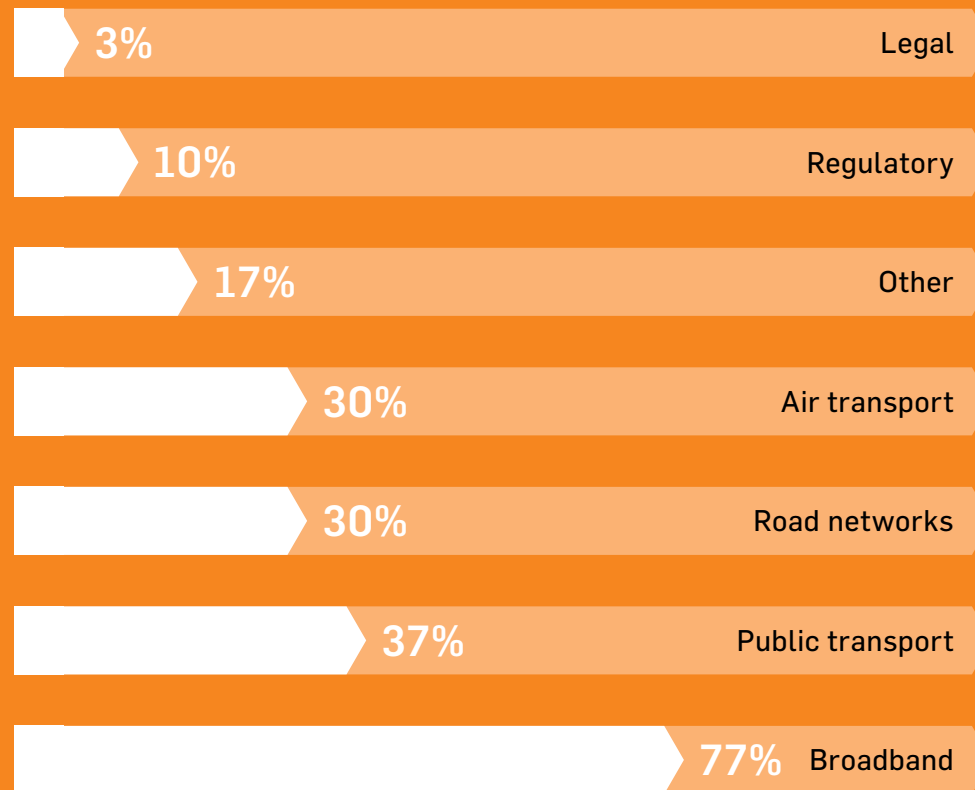
Western seaboard of Scotland



BASE: 30 RESPONDENTS

FIGURE 4.9

Infrastructural impediments Western seaboard of Scotland



BASE: 30 RESPONDENTS



05

Future forecasts



The future of film and broadcasting is digital. Digital TV Research forecasts that almost 1 billion televisions will be internet connected by 2020, and 339 million by the end of 2014 (Digital TV Research, 2014). PricewaterhouseCoopers (PwC) (2014b) forecasts that between 2014 and 2018 digital content will account for 65% of the entertainment and media industry's spending growth.

5.1 GLOBAL AND EUROPEAN FORECASTS

Gaining benefit from the growth of digital requires companies to develop their business in line with the digital age, which PwC (2014b) notes is not just about applying digital technology but also involves being flexible and getting closer to consumers.

Digitisation will shape future growth and how the industry operates. Businesses must adapt their operating models to benefit from digitally driven growth opportunities

Digitisation is changing the value chain in the media and entertainment industry, evolving from a linear to more fluid, non-linear, multidirectional model. Content creators are no longer disconnected from consumers and are building relationships with them. Distributors are moving into content creation. Deloitte's 2014 technology, media and telecommunications (TMT) predictions include that content creation and ownership will continue to spread among more companies. A broader range of companies will commission content in the future. Deloitte points out that this broader range

of commissioners will not just be broadcasters or platform owners but also for example technology companies and retailers. Along with this comes increasing competition for on-screen talent, writers, producers, and set designers, according to Deloitte (Lee, Stewart and Calugar-Pop, 2014).

Media and entertainment businesses will increasingly use data to gain a detailed picture of audiences and deliver tailored content to serve audiences in different regions (PwC, 2013a). Cloud technology will allow this changed industry model to flourish, offering both flexibility and control, as well as lowering costs and allowing for greater collaboration across different kinds of content and regions (PwC, 2013a). Models of video content distribution are also forecast to continue to change. However not to such an extent that Hollywood will no longer dominate, but its grip is loosening and is predicted to further loosen. New players are also forecast to emerge and new platform's popularity will increase. Distributors of digital content will mainly acquire their content, but their investment in production will increase (PwC, 2014a).

Decline of physical and growth of electronic content and streaming

Deloitte's 2014 TMT predictions include that by end of 2014, up to 50 million homes worldwide will have two or more pay television subscriptions. The increasing spend on subscription services is likely to absorb some spend that would have gone on purchasing content as DVDs in the past (Lee, Stewart and Calugar-Pop, 2014). PwC (2014a) forecasts that globally revenue from electronic home video, such as over the top (OTT)/streaming and video on demand, will increase in the 2013 to 2018 period growing at a compound annual growth rate of 19.9%. It will overtake revenue generated from physical video (DVD and Blu-ray sale and rental) in 2018. Revenue generated from physical video in this period will decline, but remain an important part of the video sector. The particular part of electronic home video market expected to grow the fastest is OTT/streaming, at a compound annual growth rate of 28.1%. These global trends are also reflected in the Europe, Middle East and Africa (EMEA) region. Electronic home video is predicted to increase in the 2013 to 2018 period at a compound annual growth rate of 22.5%, with OTT/streaming growing the fastest. Deloitte's 2014 TMT predictions of trends

in internet devices also impact on the growth of electronic video. Tablets are becoming common and new content formats may be merited, or at least the optimisation of existing formats for different form factors. Larger devices are more suited to audio visual content while smaller to text based media (Lee, Stewart and Calugar-Pop, 2014).

Cinema viewing remains popular

PwC (2014a) forecasts that globally, viewing films at the cinema will grow in the 2013 to 2018 period by a compound annual growth rate of 4.9%. In 2014, cinema is predicted to become a larger revenue source in the filmed entertainment market than physical home video. However in the European Union cinema attendance is declining overall. Looking at Central and Eastern Europe, cinema admissions in Russia were higher than in the UK in 2013. In developing markets, going to the cinema is said to be an 'affordable treat'.

Emerging markets provide important opportunities for export

The UK dominates the movies and entertainment (music, entertainment formats) market in western Europe. According to MarketLine (2014) the UK

accounted for 26.5% of the western European market, followed by Germany (19.5%), France (17.3%) and Italy (7%). However, over the five year period from 2013 to 2018 MarketLine (2014) forecasts the western European movies and entertainment market value overall is to shrink by 5.3% and sees market outlook as bleak. That said, global and national forecasts paint a different picture of this global market. Economic forecast research notes the importance of emerging markets in the growth of the film and television industry (see Table 5.1). MarketLine (2014) notes that opportunities exist in emerging economies with rising disposable incomes as new audiences grow and develop. The sharp rise in cinema attendance in China represents a significant growing audience. While North America will still drive the global market, PwC (2014a) forecasts that emerging markets, such as India, Russia and Argentina, but especially China, will drive growth in filmed entertainment revenues. Box office revenues in the Asia Pacific region are predicted to grow, overtaking North America in 2018. China is predicted to overtake Japan and emerge as the world's third largest market for filmed entertainment, after the US and UK by 2018. That said it also predicts that mature markets, such as the UK, US and Japan, will remain

TABLE 5.1

Global filmed entertainment market growth and scale

LOWER GROWTH, LARGER SCALE MARKETS

*Canada, Australia, Japan, Malaysia,
South Korea, Taiwan, Germany, Italy, Spain,
Sweden, UK*

HIGHER GROWTH, LARGER SCALE MARKETS

*US, China, India, France, Netherlands, Russia,
Argentina, Brazil, Mexico*

LOWER GROWTH SMALLER SCALE MARKETS

*Hong Kong, New Zealand, Pakistan, Singapore,
Thailand, Austria, Belgium, Denmark, Finland,
Greece, Ireland, Norway, Portugal, Switzerland,
Romania, rest of Middle East and North Africa,
Kenya*

HIGHER GROWTH, SMALLER SCALE MARKETS

*Indonesia, Philippines, Vietnam, Czech Republic,
Hungary, Israel, Poland, Turkey, Egypt, Saudi
Arabia, UAE, Nigeria, South Africa, Chile,
Colombia, Peru, Venezuela*

Future forecasts

in growth. Globally, a compound annual growth rate of 4.5% over the 2013 to 2018 period is forecast. An important insight to note from Deloitte's 2014 TMT predictions is that improving broadband speeds can open new markets for content producers. In future, platform owners may not be the key way to reach users and direct selling could be feasible, possibly also increasing margins. However Deloitte also notes a number of considerations that content productions must also consider if taking this route, which are providing local network storage and payment options.

Reduced barriers to entry, however, in a tough global marketplace where access to distribution is dominated by major players

MarketLine (2014) notes that entry into the film industry for small business is easier than in the past because of the increased affordability of equipment, software capable of producing good film quality, internet platforms and independent festivals providing distribution opportunities. Competition globally, however, is tough and MarketLine (2014) cites major studios with production and marketing budgets of considerable size as a key part of the industry in which small producers must compete. Other barriers for smaller companies cited by

MarketLine (2014) are access to distribution and exhibition networks, as well as the fact that major players can have their own distribution systems, further increasing their strength.

Increased opportunities for international co-productions

MarketLine (2014) notes because of the increasing influence of emerging economies and new audiences, there will also be greater opportunity for international co-productions in future. PwC (2014a) also observe a trend among large North American studios making fewer, but bigger budget films. Resulting from this pattern is an opportunity for independents, according to PwC (2014a), to move into what is termed the 'middle ground', the US\$40 to US\$60 million segment. Deloitte's predictions also highlight a number of considerations in relation to broadcasting of sports. Technology that can enhance value and viewing experience (e.g. UHD, super-slow motion) should be examined by broadcasters and production teams. It also identified a gap in the global market for new sports and formats, citing Ultimate Fighting Championship (UFC) as a success story "UFC was purchased by its current owners for \$2 million in 2001; it now turns over \$500 million annually; it is

broadcast in 148 countries, and pay-per-view fees are up to \$50 per transaction" (Lee, Stewart and Calugar-Pop, 2014: 29).

5.1.1 UK FILM GROWTH FORECASTS AND KEY TRENDS

The latest British Film Institute (BFI) statistics show that after the USA and Japan, the UK is the third largest filmed entertainment market in the world, making up almost 7% of the global market. The USA is by far the largest, making up almost 35% of the world market (BFI, 2014). PwC (2014a) forecast that in 2018 the UK will remain the biggest filmed entertainment market in Europe. Forecast trends in the UK are reflective of the global picture. PwC (2014a) forecasts revenues from the UK's filmed entertainment sector to grow over the 2013 to 2018 period, at a compound annual growth rate of 3.4%, from revenues of £3.47 billion in 2009 to £4.64 billion by 2018. Overall, physical home video (sale and rental) revenues are in decline with a compound annual growth rate of -3.8%, declining from generating revenues of £2.16 billion in 2009 to £1.65 billion by 2018 (see Figure 5.1, page 139 for a breakdown of trends in both rental and sale).

Development challenges in the Honeycomb eligible area

Cinema revenues are positive. A compound annual growth rate of 2.8% from box office revenues is forecast by PwC (2014a), an increase in revenue from £944 million in 2009 to £1.39 billion by 2018. A compound annual growth rate of 1.9% from cinema advertising is forecast, with revenues increasing from £165 million to £193 million by 2018 (see Figure 5.2).

Electronic home video is also forecast as a growth area. Revenue from video on demand subscription services is forecast to have a compound annual growth rate of 34.1% generating revenue of over £694 million by 2018. Television on demand subscription services are forecast to have a compound annual growth rate of 22.8% generating revenue of over £428 million by 2018. Television subscriptions are forecast to have a compound annual growth rate of 4.6%, generating revenue of over £276 million by 2018 (see Figure 5.3).

Creative Skillset (2013a) also predicts a continued reduction in DVD and Blu-Ray sales and growth in video on demand services. Consumers will watch films on a variety of internet devices in the UK market, with digitisation a central driver of change. It particularly flags the impact of digitisation on

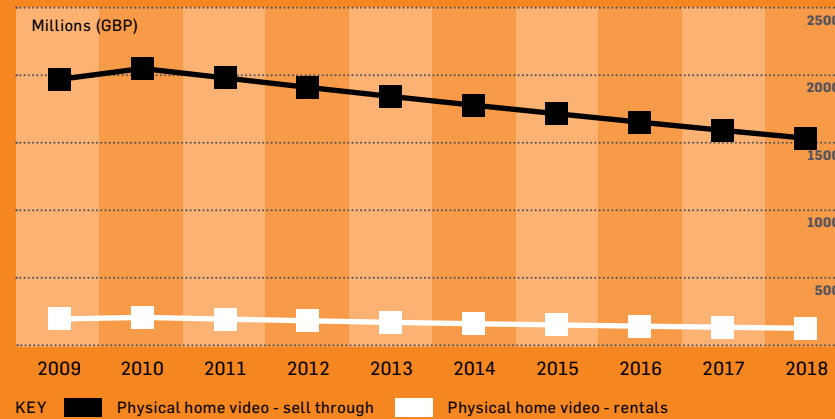
the production, distribution and exhibition sectors, with developments such as 8k based projection, high frame rate and holographic. It sees multi-platform projects as increasingly important. Adapting to these changes is vital to increasing revenues. In the face of digitisation, key skills needs for the sector are in IT. Set design and make-up will need to improve because of better resolution that comes with increased digitisation. In addition distribution costs will lower with increased video on demand and smaller films may be able to reach a wider domestic market and larger British productions reach international markets. While digitisation is central to growth, the growth of one technology is uncertain. Euromonitor Passport (2013) predicts that the popularity of 3D films may continue to decrease in the UK. In PwC's (2014a) global outlook on filmed entertainment it also reflects on 3D commenting that digital screen's introduction is now driven mainly by 2D and not 3D.

Based on forecast research, future employment, GVA and turnover in the UK film industry are all positive. According to Creative Skillset (2013a) there will be a growth in employment in the UK's film industry of between 13% and 22% over the 10 year period between 2012 and 2022, concentrated in the South

and London. This is an annual growth rate of 1.3% over the next 10 years. In real terms this represents an increase in employment of up to 36,850 employed in the sector in 2022. It also predicts a move away from freelance and toward full-time employment opportunities. It forecasts a decrease in freelancers of between 3% and 4%. The GVA of the sector is also expected to increase, between 65% and 68% over the 10 year period to a high of £3.9 billion in 2022 (Creative Skillset, 2013a). Euromonitor Passport (2013) predicts the UK filmmaking industry will grow by 5% annually from the five year period from 2013 to 2018. This reflects a growth in turnover from £5.9 billion in 2013 to £7.5 billion in 2018 (see Table 5.2, page 140). Tax incentives are highlighted as having a positive effect on this rate of growth. The significance of co-operation between companies is highlighted, based on the fact that business to business costs accounted for 13% of total industry trade in 2012 (Euromonitor Passport, 2013).

FIGURE 5.1

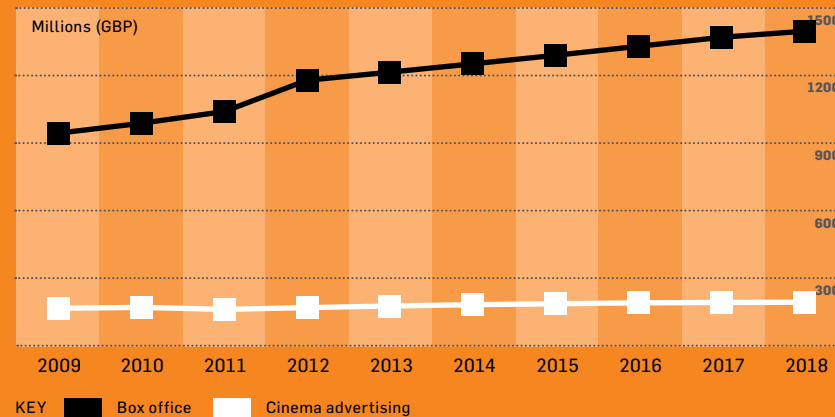
Physical home video sale and rental forecast revenue – UK



Source: PwC Global Media and Entertainment Outlook 2014-2018

FIGURE 5.2

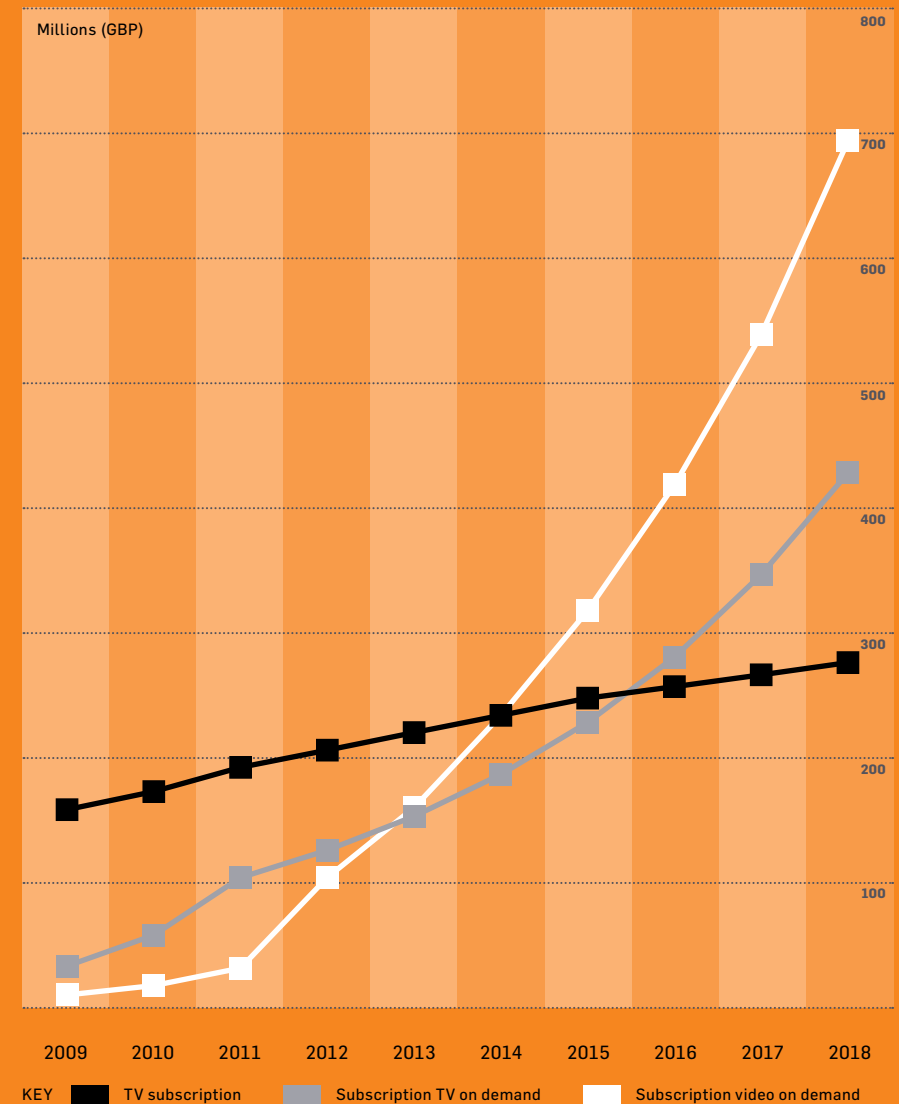
Cinema forecast revenue – UK



Source: PwC Global Media and Entertainment Outlook 2014-2018

FIGURE 5.3

Electronic home video forecast revenue – UK



Source: PwC Global Media and Entertainment Outlook 2014-2018

TABLE 5.2

UK filmmaking turnover forecast 2013-2018

	2013	2014	2015	2016	2017	2018
TURNOVER (£ MILLION)	5,963	6,256	6,566	6,883	7,220	7,559

SOURCE: Euromonitor Passport Filmmaking in the United Kingdom 2013

In the arena of regulation and governance, clarification of BBC, Channel 4, Sky, ITV and Channel 5 commitments to British film is cited as one key driver of growth, in addition to the development of co-production treaties with countries such as Brazil and China (Creative Skillset, 2013a). Euromonitor Passport (2013) also predicts international co-productions will increase. Euromonitor Passport (2013) states that tax relief can attract international productions and impacts on the international competitiveness of UK filmmaking services because of these cost advantages. It also flags that the Department of Culture Media and Sport recently commissioned a study to inform its long term planning to support film industry development and that increased government support is expected in the future.

Some broader industry issues emerging from forecast research include piracy, intellectual property protection, skills deficits, ever tightening budgets and professionalisation of film finance. Euromonitor Passport (2013) highlights the importance of visual effects to the UK film industry, which has developed an international reputation and is a leading area of growth. It is important to address skills deficits, such as in areas of visual effects and digital production, to further develop visual effects. Another key challenge to the growth of the UK film industry according to Euromonitor Passport (2013) is piracy and illegal exploitation of intellectual property. Creative Skillset (2013a) also sees independent film budgets as staying tight which will result in having to produce with smaller crews and evolution of the production process. It also flags an increasing professionalism in

film finance and increasing structural complexity with a need for industry support from professionals trained in law, accountancy and banking.

While there are issues, the UK industry is strong. PwC (2014a) notes the growing importance of UK studios, such as eOne, Lionsgate, StudioCanal and Entertainment, which are becoming better resourced and capable of competing more strongly with US studios. PwC (2014a) also notes the UK government is working to strengthen its ties with China, a key emerging market. PwC (2014a) also raises the question of studio space and if supply can cope with demand, citing Pinewood Studio's future plan to develop 12 more stages. In relation to consumer demand, Creative Skillset (2013a) flags strong domestic support for British film. Demographic

TABLE 5.3

UK consumer spending on home viewing equipment and services 2014-2018

	2014 (£M)	2015 (£M)	2016 (£M)	2017 (£M)	2018 (£M)
VIEWING EQUIPMENT	3,080.0	3,148.0	3,235.0	3,325.0	3,428.0
SUBSCRIPTION REVENUES	5,478.2	5,601.7	5,767.8	5,943.6	6,145.7
TV LICENCE INCOME	2,763.8	2,783.1	2,802.6	2,892.3	2,950.1

SOURCE: Key Note Digital Broadcasting Market Report 2014

change will also increase the importance of an over 55 audience. As highlighted on the global level by PwC (2014a), getting closer to the consumer is vital and Creative Skillset (2013a) highlight that social media marketing is a key channel to consumers.

5.1.2 UK TELEVISION GROWTH FORECASTS AND KEY TRENDS

The independent production sector's trade association PACT's 2013 financial census of the independent production sector finds strong growth with an increase of 16.5% in revenues from 2011 to 2012

(Oliver and Ohlbaum Associates, 2013). From 2012 to 2013 revenues increased from £2.8 billion to £3 billion, which is four times the sector's value compared to nine years ago. Smaller companies have improved their position (PACT, 2014). The future of television is positive, according to Creative Skillset (2013b). It forecasts a growth in employment of up to 33% in television in the UK over the 10 year period between 2012 and 2022, mostly concentrated in the London region. The forecast an annual growth rate is 1.2% and in real terms represents an increase in employment of up to 67,295 employed in the

sector by 2022, an increase of over 6,500 jobs. It forecasts a marginal increase in freelancers in this workforce. GVA of the sector is also expected to increase, between 3% and 24% over the 10 year period. Television's importance in terms of its share of economic output in creative industries will also increase (Creative Skillset, 2013b).

Key Note (2014) note watching television is a growing leisure activity with an increasing number of UK television channels and forecast that television subscription revenues will rise by 12.2% from 2014 to 2018 and licence fee income by 6.7% (see Table 5.3, page 141). It forecasts that the rise in internet enabled televisions could further change how consumers use television. An increase in subscription based streaming services could also impact a reduction in numbers viewing live broadcasts and consumers with pay television subscriptions could reduce also as a result.

UK television production exports are growing and the industry is a global leader, according to Apex Insight (2014). Internationalisation of the industry is increasing with consolidation occurring internationally and the emergence of 'super-indies'. The rise of the super-indie could potentially increase barriers for new market entrants. However a large number of small independents still exists, but consolidation generally is expected to continue (Apex Insight, 2014).

PACT's 2014 census of the independent production sector finds growth of 12% in international earnings, now valued at £939 million, almost one third of the total sector's value. While growth is strong, margins however remain tight but profitability is stable and improved in 2013 (PACT 2014). The 2012 PACT (2013b) UK Television Exports survey found a 4% increase in export revenue from 2011 to 2012. USA was found to be the largest export market, with Australasia the next largest. Exports of finished programmes fell slightly, however new commissions, co-productions, sale of digital rights and licensing grew. The greatest increase in revenue was from China and territories newer to UK content.

Key Note (2014) highlight that the development of local television channels could be a future opportunity in the UK television market. Ofcom, the UK communications industry regulator, is aiming to licence local television services in 51 areas. Key Note (2014) points out that previous attempts to develop local television have not been successful. However with increased funding available and opportunities to access content over the internet barriers should be reduced.

Creative Skillset (2013b) flag the importance of the television tax credit in driving the emergence of new productions, with immediate effect. PwC (2014) note that the tax credit system is important to the growing economic value of filmed entertainment and is designed to encourage high end drama, video games, animation and feature films. Creative Skillset (2013b) also detail how commissioning budgets are likely to grow tighter and producers need to learn to produce more for less. Learning from countries such as Denmark and Belgium where they have adapted to working with smaller budgets is suggested as a potential action.

Similar to trends in film, television is no longer just watched on television. Content is consumed via a range of devices, such as tablets and smartphones. That said, while access to television through digital services such as video on demand and streaming is rising, traditional live television is still very popular (KPMG, 2013). Digitisation is however a key driver of change and innovative productions will engage with their audience via connected devices. Social media and mobile applications provide additional marketing channels for content (Keynote, 2014).

Development challenges in the Honeycomb eligible area

Research carried out by YouView found that social media influences people's decisions on what content to watch on television, influencing one in seven British people, according to its survey (Internet Advertising Bureau, 2014). Creative Skillset (2013b) forecast the impact of digitisation will increase employment in production of up to 16% across the UK in the medium to long term. This change will also mean technical skills will increasingly be in high demand and the importance of meeting the skills challenges that come with digitisation is vital to harness this growth potential. This includes IT skills and high level IT engineers to facilitate transmission over multiple delivery platforms (Creative Skillset, 2013b). Digitisation also poses a challenge because of its potential negative effect on broadcaster's advertising revenues because of increased competition for audiences (Creative Skillset, 2013b; Keynote, 2014). Viewing habits are no longer linear, viewing programmes at a specified broadcast time (Creative Skillset, 2013b). Technological changes are also impacting production, with some areas of television affected to a greater extent than others. Creative Skillset (2013b) note how documentary production has been transformed by the emergence of new

technologies such as quasi-autonomous cameras, while the drama production model has not been greatly affected by new technology.

PACT's 2013 financial census of the UK independent production sector finds that growth was primarily driven by the recovery in UK commissioning spend for original output from 2011 to 2012 (Oliver and Ohlbaum Associates, 2013). The 2014 census found public service broadcasters' spend dominated primary commissioning, but multichannel commissioning (£381m) is notable with 59% year-on-year growth (PACT, 2014). Broadcasters remain vital to the sector and will remain the predominant commissioner; however commissioning is also changing (Apex Insight, 2014). Table 5.4 outlines forecasts for television commissioning levels in the UK by channel. No major change is seen in BBC spend, while spend from ITV, C4 and Five is forecast to increase at a compound annual growth rate of 1.6% between 2007 and 2018. More significantly however multi-channel spend is forecast to grow by 24.2% over the 2007 to 2018 period. The most important part of multi-channel is described as 'new media', including Internet Protocol Television and video on demand services such as Netflix.

Production companies can tap into newer revenue opportunities outside of the more traditional model of broadcaster commissioning, according to Apex Insight (2014) such as:

- Success based payments where a bonus can be paid based on viewing ratings.
- Revenue from formats can be generated from audience interaction such as voting via premium rate telephone numbers.
- Production company retains ownership rights and broadcasters purchase a license to broadcast shows. This allows producers to sell content to other markets and platforms, potentially increasing margins.
- Increased investment in digital platforms and exploitation of digital rights.

Illegal downloads is a challenge that impacts on television revenues and viewing figures (Keynote, 2014). This is a key issue to address to improve revenues.

TABLE 5.4

Forecast spend (£m) on television commissioning by channel in the UK

	TOTAL	OTHER	MULTICHANNEL	ITV/C4/5	BBC
2013	3332	153	547	1323	1309
2018	4005	246	778	1605	1376

SOURCE: Apex Insight UK Television Production: Market Insight Report 2014

Apex Insight (2014) cites a vital force in driving television production's value is developing successful formats that can be re-used. This area is also said to be unpredictable and individual formats may have a limited lifecycle. To ensure formats reach their best potential lifespan, Apex Insight (2014) suggests production companies should liaise with broadcasters so audiences are not over-exposed to particular format shows and broadcast time is linked with their primary audiences. In addition Apex Insight (2014) flags a concern that the public may be tiring of reality television and formats. However, it emerged from the 2012 PACT UK exports survey that factual entertainment, as well as drama, are key drivers of UK

exports in the independent production sector. Asian markets, in particular China, are viewed to provide the greatest growth opportunities for factual and format sales (PACT, 2013b). As well as this, the 2014 PACT census found growth in these sectors, with factual entertainment the most significant growth genre growing by 17% (PACT 2014).

5.1.3 FILM AND BROADCAST FORECAST TRENDS IN NORTHERN IRELAND AND SCOTLAND

Creative Skillset (2013a) forecasts growth in employment in film will concentrate in the South and London. That said, growth is still predicted for Northern Ireland, with from 13% to 17% growth in

employment in film from 2012 to 2022 employing approximately between 495 and 515 people in 2022 (Creative Skillset, 2013a). Employment growth is also forecast for the television sector, of up to 24% employing up to 2,045 people in 2022 (Creative Skillset, 2013b). PwC (2014a) notes the filming of parts of Game of Thrones in Northern Ireland provides opportunity to develop screen tourism. It also cites research that suggests one in 10 overseas visitors to Ireland or the UK has done so because of a film or television show, signalling the spill-over economic value of the film and broadcast sector. Creative Skillset (2013a) also forecasts a significant increase in employment opportunities in film in

Scotland by 2022. In this period employment in film is forecast to increase by between 17% and 46%, employing between 4,635 and 5,805 people in 2022 (Creative Skillset, 2013a). In this period employment in the television sector is forecast to increase by up to 56%, employing up to 4,505 people in 2022 (Creative Skillset, 2013b). Development of studio facilities in Scotland could also increase the economic impact of the sector. The EKOS (2014) report evaluating the potential for a studio faculty in Scotland presents estimated economic impacts of studio development based on peak operations under four scenarios, which are if studio rental accounted to 3.5%, 5%, 7.5% and 10% of the total production budget. The report states that the 3.5% and 5% scenarios appear most plausible and under these scenarios a full spec studio could potentially generate a total GVA of between £7 and £10 million and between 134 and 191 direct and indirect jobs.

Figures from Ofcom, the UK regulator for communication industries, show the proportion of spend by the five main PSBs (BBC One, BBC Two, ITV1, C4 and S4C), on original first run network productions across the UK. The majority of spend is concentrated in London, where 51.9% was

concentrated in 2013, but the proportion of spend outside of London has increased over the last three years. Total spend in Northern Ireland accounted for 1.1% of total spend in 2013, an increase from 0.8% in 2012 (Ofcom, 2014a). Total spend in Scotland accounted for 5.9% of total spend in 2013, an increase from 4.4% in 2012 (Ofcom, 2014b).

5.1.4 FILM AND BROADCAST FORECAST TRENDS IN THE REPUBLIC OF IRELAND

Recent economic and growth forecast data is more limited in the Republic of Ireland than the UK. This issue has also been raised elsewhere. In a review of the Irish Broadcasting Landscape, Shaw et al. (2010) make a series of recommendations on future developments in broadcasting, including the adoption of an evidence-based approach to policy and strategy development, better information sources on economic trends in the sector and better coordination between agencies such as the Broadcasting Authority of Ireland and ComReg in relation to market analysis.

PwC forecast trends for film and television in the Republic of Ireland are also reflective of the global picture. Cinema revenues are predicted to remain steady and electronic home video is to grow. However

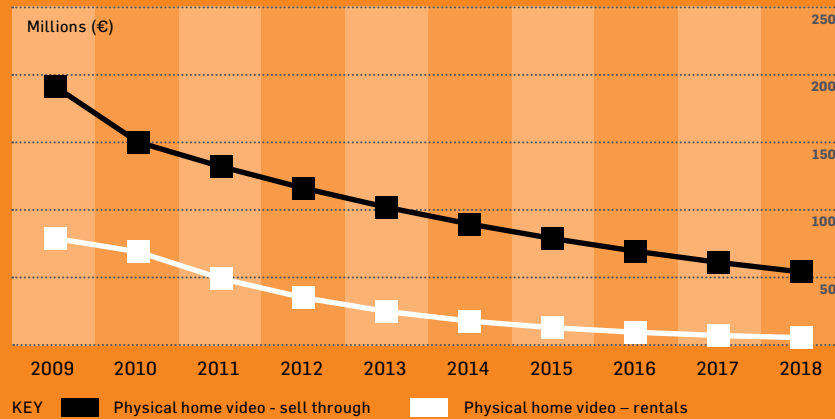
PwC (2014a) classifies Ireland as a low growth small scale market. Revenue from Ireland's filmed entertainment sector is forecast by PwC (2014a) to decrease over the 2013 to 2018 period, at a compound annual growth rate of -2.4%, decreasing from revenues of €347 million in 2009 to €217 million by 2018. DVD and Blu-ray rentals are flagged as the most severely impacted area. Overall, physical home video is forecast to have a compound annual growth rate of -14.3%, declining from generating revenues of €214 million in 2009 to €46 million by 2018 (see Figure 5.4, page 146 for a breakdown of both rentals and sale).

Cinema revenues are more positive. A compound annual growth rate of 1.9% from box office revenues is forecast by PwC (2014a), an increase in revenue from €108 million in 2009 to €127 million by 2018. A compound annual growth rate of 6.9% from cinema advertising is forecast, with revenues increasing from €8 million in 2009 to €9.3 million by 2018 (see Figure 5.5, page 146).

Electronic home video is also forecast as a growth area. Revenue from video on demand subscription services is forecast to have a compound annual

FIGURE 5.4

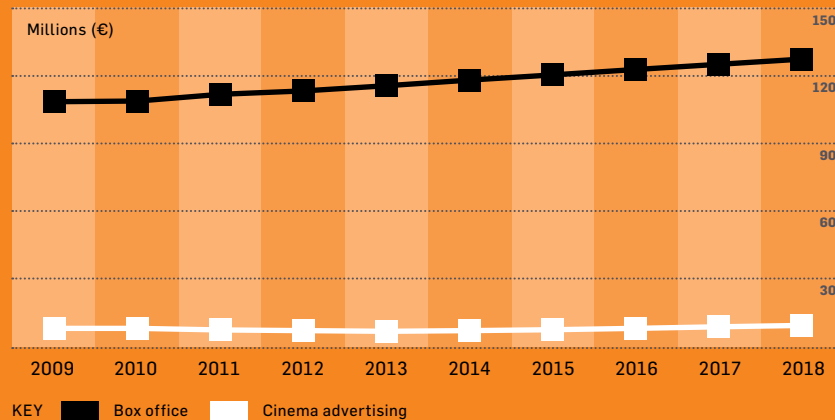
Physical home video sale and rental forecast revenue – Republic of Ireland



Source: PwC Global Media and Entertainment Outlook 2014-2018

FIGURE 5.5

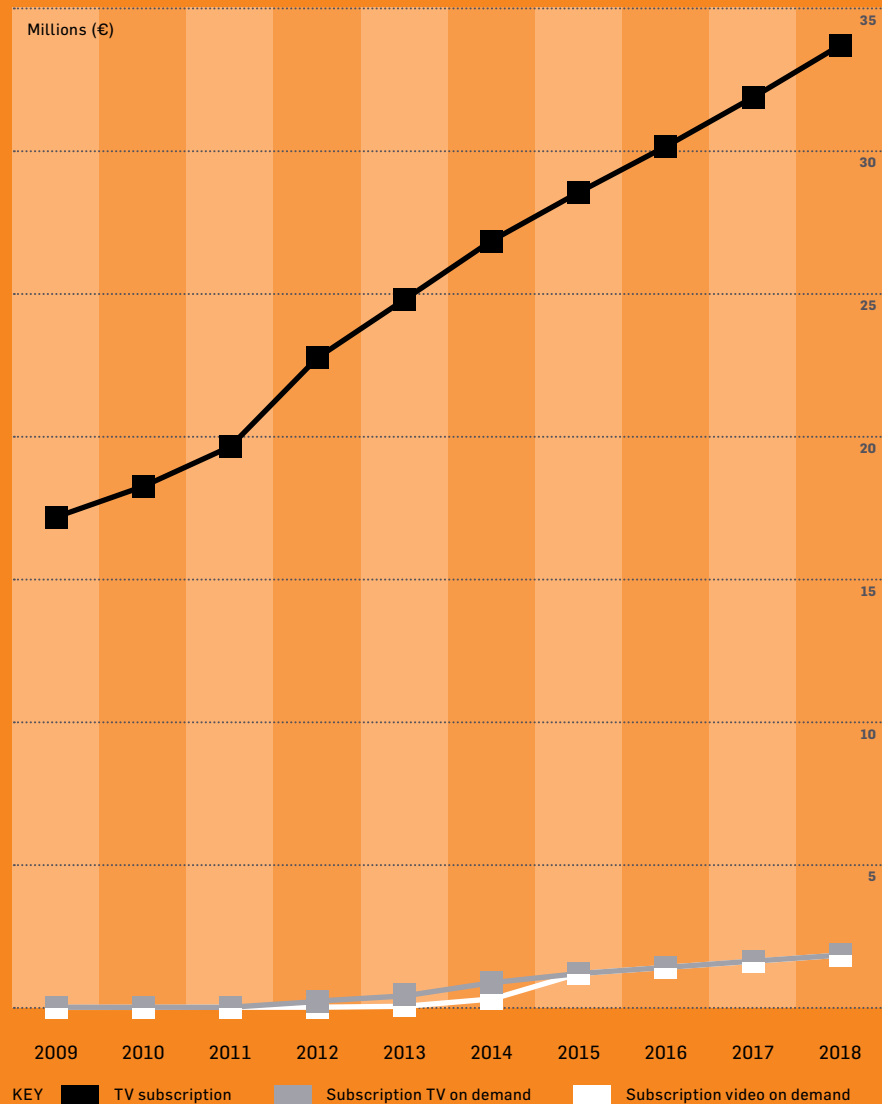
Cinema forecast revenue – Republic of Ireland



Source: PwC Global Media and Entertainment Outlook 2014-2018

FIGURE 5.6

Electronic home video forecast revenue – Republic of Ireland



Source: PwC Global Media and Entertainment Outlook 2014-2018

growth rate of 86.3% generating revenue of over €1.6 million by 2018. Television on demand subscription services are forecast to have a compound annual growth rate of 31.9% generating revenue also of over €1.6 million by 2018. Television subscriptions are forecast to have a compound annual growth rate of 6.3%, generating revenue of over €31.4 million by 2018 (see Figure 5.6).

PwC (2014a) also notes the importance of the Irish government tax relief (section 481) to the sector, which will increase to 32% from 28% in 2015. This has been maintained despite cuts in public spending, highlighting the Government's recognition of the economic value of the sector. On the regional level, an economic impact assessment of the broader creative sector in Ireland's western region presents a positive growth scenario from 2010 to 2020. With policy interventions that support increased networking and export development, forecast sales and employment more than double and exports almost double compared to the forecast scenario without policy intervention (Centre for Innovation and Structural Change, 2011).

5.2 KEY TRENDS

- Digitisation will be a key factor in shaping future growth. Businesses must adapt their operating models to benefit from digitally driven growth opportunities. Content creators should connect with their audiences through for example social media.
- Digitisation is also changing commissioning with a broader range of commissioners of content, such as distributors, technology companies and even retailers.
- Despite broadening of opportunities for funding and commissions, budgets and margins will however remain tight.
- Production companies can however tap into newer revenue opportunities outside of the more traditional model of broadcaster commissioning, such as success based payments and licencing of formats.
- Technology will enable greater levels of collaboration between companies across different regions and in producing a greater range of content.
- Digitisation also demands additional skills and key skills needs are in IT. Better resolution may

also require higher standards in set design and make-up for example.

- Physical content such as DVDs and Blu-ray will remain an important part of the market, but is declining at a fast rate. Electronic content and streaming is growing apace.
- Cinema viewing remains popular and emerging markets are a key area of growth in cinema attendance.
- International markets, in particular emerging markets with rising disposable incomes and large audience numbers, provide important opportunities for export.
- Also because of the increasing importance of emerging markets, there will be increased opportunities for international co-productions in the future.
- The quality and affordability of equipment has reduced barriers to entry. However in a tough global marketplace where access to distribution is dominated by major players this is still a difficult market to succeed in. Better access to distribution networks is very important.
- Compared to London, spend from PSB broadcasters appears low in Northern Ireland and Scotland.

Recommendations



The evidence based recommendations made in this section can inform future policy making to support the growth of the film and broadcast sector in these less centralised areas of Northern Ireland, the Republic of Ireland and Scotland.

The film and broadcast sector's process of development can be broken down into three tiers. General, fundamental supports underpin all tiers, such as skills development, intellectual property protection, adequate infrastructure and funding supports. However at the first tier of development is supporting a facilitative environment that enables people to become involved in content production, developing skills and expertise. This can then stimulate talent and support the emergence of start-up companies at this level. Important in the second tier are companies that have established themselves in the market and require higher level skills training and support for international marketing and pitching. On the third tier are companies attempting to gain a foothold in the global market, with research and development funding supporting these companies to overcome challenges to achieve greater growth.

Moving more companies into the second and third tiers of this model would enable the film and broadcast sector to contribute to greater levels of economic growth. Economic forecast research highlights positive growth prospects for this sector on global

levels. The Honeycomb survey found sales from companies in the eligible areas were predominantly national. Forecast research identifies positive growth prospects from international co-productions and exports to emerging markets. These are significant opportunities for the development of the film and broadcast sector in the eligible areas. A film and broadcast industry that is internationally focused and develops strategies that hinge on its development in the digital age will capture future growth. Regions, such as the Honeycomb eligible areas, have the potential to be part of this growth.

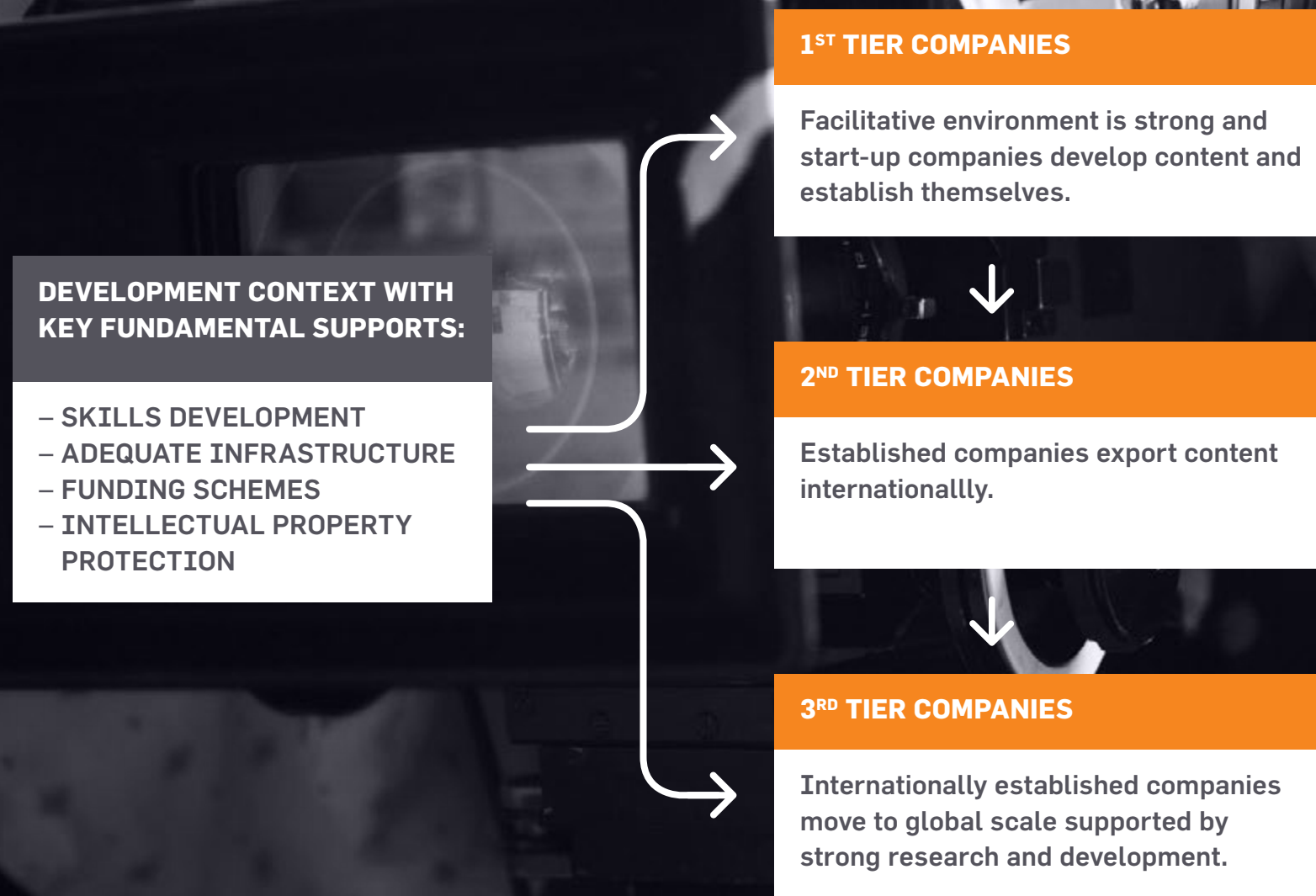
In the next sections, the central issues that emerged from the Honeycomb quantitative and qualitative research are presented. General issues around skills and development challenges are presented, as well as regionally focused recommendations. These evidence based recommendations can inform future policy making to support the growth of the film and broadcast sector in these less centralised areas of Northern Ireland, the Republic of Ireland and Scotland.

Recommendations



FIGURE 6.1

Phases of film and broadcast sector development



Recommendations

6.1 RECOMMENDATIONS TO REDUCE SKILLS GAPS

- Future training should be focused on the production of low cost, but high quality digital production.
- The Honeycomb survey has identified a number of key skills gaps that can be used to guide skills training and skills development in the film and broadcast sector.
- Overall, skills improvement at advanced levels was viewed as in much greater need than beginner level skills.
- According to the Honeycomb survey, in the film and broadcast sector, the three top areas of skill that the most respondents agreed were skills gaps in their workforce were:
 - Craft/technical skills (50%)
 - Sales and marketing skills (46%)
 - Business skills (45%)
- Craft/technical skills are difficult to address because of the range of different skills needs even within this one sector. Funding support for training in this area would be better delivered directly to companies who can then source the specific training they need.
- Pitching was the highest specific sales and marketing skills gap. Over half of respondents also identified social media/e-marketing, negotiation and international marketing as skills gaps in this area.
- Specific business skill gaps that over half of respondents identified as needing development were: networking nationally and internationally (74%), identifying opportunities (68%) and commercial acumen (58%).
- Industry interviews revealed some fundamental challenges relating to skills development – the cost of up-skilling and the pace of change. Support for skills development exists, but because of these two overarching factors, the sector would benefit from increased support.
- The nature and structure of programmes for skills development are also important. Practice based learning is valued. The value of apprenticeships is strongly emerging from the industry voice. However, supporting apprentices also requires funding support. While bringing longer term benefits, it can in the shorter term place extra demands on company resources.
- Creating a facilitative environment, making it more accessible to become involved in content production, would facilitate practice based learning and skills development.
- Greater understanding of intellectual property rights and innovation in how intellectual property can be protected would have commercial benefit for the film and broadcast sector.
- Development of business and creative skills must go hand in hand in this sector. Greater capitalisation on creativity, capturing more of the potential value emerging from film and broadcast productions would expand its economic value.
- There should be an emphasis in future training to develop skills for 'next generation' digital production and to apply this particularly to drama production.

6.2 RECOMMENDATIONS TO AID GROWTH AND REDUCE BROADER CHALLENGES

- Adequate access to finance and funding to bridge the gap between creative content ideas and their development into commercial content is crucial for growth. Simplification of funding models, as has recently been introduced by Creative Scotland, could ease the issue of funding access in Northern Ireland and the Republic of Ireland.
- Collaboration within the sector, or with the wider creative industries sector, as a requirement of particular funding schemes could increase the levels of collaboration between companies and also facilitate funding to have wider benefit.
- Training and information on how film and broadcast companies can make use of multiple funding sources, such as syndicates, EU funding and sources outside of national level schemes should be made available.
- Greater recognition of the economic potential of the sector is needed, proven by investment in research and development to develop potential content and valuable future intellectual property.
- Increased support for attending international trade events and festivals, focused on supporting companies to expand and develop a product in development, or seek international partners to expand its reach, would facilitate growth better than ad hoc support for international networking.
- Introducing a degree of obligation on international productions availing of tax advantages and funding in a region to source skills locally where available could help to increase the local economic impact of major international productions.
- Developing the film and broadcast industry profile as a key industry on the regional level and promoting its successes and potential as an international brand, would increase recognition of the sector and potentially attract inward investment.
- There is a need for regional policy development to assist growth of the film and broadcast sector outside of cities and areas that growth has been concentrated.
- Links should be forged, and education programmes run, to inform independent production companies of the opportunities in emerging markets such as China, India, Russia and Argentina.
- Renewed focus in the film and broadcast sector on the value of creating intellectual property and licensing it internationally, such as for example through formats and co-productions, would facilitate growth.
- Developing the research/observatory capacity within the regions and developing mechanisms so that market intelligence with expert analysis of market and technological change is disseminated to the companies in the film and broadcast sector is also important to facilitate growth.

6.3 SPECIFIC RECOMMENDATIONS FOR THE HONEYCOMB REGIONS

6.3.1 NORTHERN IRELAND

- Film and broadcast companies outside the greater Belfast area in Northern Ireland enjoy a considerable cost advantage compared to elsewhere in the UK. With a correctly executed strategic development plan, developed and led by the Department of Arts, Culture and Leisure (DCAL), the area could develop itself as a high quality, low cost, internationally competitive film and broadcast production centre.

Recommendations

- The key enabler of this would be an industry-led programme of ongoing in-company and freelance skills development. This programme would aim to skip a generation of production technology to ensure the most flexible, efficient and highest quality production techniques are used.
- Business skills should be developed at advanced or all levels. The top two business skills found lacking in Northern Ireland were national and international networking and identifying opportunities.
- Craft/technical skills should be developed at advanced levels. Identifying specific areas of priority in relation to craft/technical skills should be done in conjunction with a survey of companies/freelancers in the region.
- Such a skills programme could be developed and delivered on a cross-border basis near to the places where clusters of companies have been identified.
- It could be delivered by a combination of the existing further education and higher education providers in the area in combination with Northern Ireland Screen and Creative Skillset.
- It could be funded by a range of sources including existing film and broadcast training funds administered by Creative Skillset with contributions from other funds.
- Communications infrastructure inhibits business activities. Road development between Derry city and Belfast and a better flight service from Derry city airport within Ireland and internationally would aid in overcoming this barrier.
- Broadcasters with public service obligations, particularly BBC, Channel 4 and Channel 5, should be pursued at a government level to ensure that Northern Ireland receives its equivalent share of network production spend. This spend needs to be monitored by DCAL to ensure it is not spent entirely in the greater Belfast area but spread pro-rata to licence income across each county in Northern Ireland.
- Access to market and technical knowledge as well as networking are seen as key issues for companies. There is much evidence to support the value that informal networks have. To this end the relatively low trade organisation membership found in Northern Ireland needs to be addressed. Increased membership and interaction with existing organisations or the development of a strong representative organisation, with lobbying functions, within the region would help strengthen the industry. DCAL should provide start-up funding to encourage networks.
- Industry has shown a strong interest in increased collaboration across creative industries and within their own sector in specific areas of work. This should be supported through the development of collaboration funds.

6.3.2 REPUBLIC OF IRELAND BORDER COUNTIES

- Investigation into the feasibility of development of a film and television studio in the border counties would help to evaluate the place of facilities in developing the industry in this region.
- The Irish government announced plans in April 2014 to develop broadband quality in rural Ireland (DCENR, 2014). The urgency of this plan is underscored by the findings of this research.
- A strategy for developing the regional film and television industry in the border counties of the Republic of Ireland would assist industry development. Focusing on developing strengths in particular genres could give such a plan a more strategic approach.

Recommendations

- Low trade organisation membership was found in the border counties of the Republic of Ireland. Increased membership and interaction with existing organisations or the development of a strong representative organisation, with lobbying functions, within the region would help strengthen the industry.
- Industry has shown a strong interest in increased collaboration across creative industries and within their own sector in specific areas of work. This should be supported because this approach has significant economic value adding potential emerging from productions.
- The two greatest skills deficits identified were around sales and marketing skills and business skills. Craft/technical skills emerged as the next most significant concern.
- Business skills should be developed at advanced or all levels. The top two business skills found lacking in the Republic of Ireland were identifying opportunities and networking at national and international levels.
- Sales and marketing skills should be developed at all levels. The top two sales and marketing skills found lacking in the Republic of Ireland were pitching and negotiation.

- Increased efforts to develop a better evidence base around market structure and projected growth trends to inform company development, as well as film and broadcast policy strategies, appears needed in the Republic of Ireland.

6.3.3 WESTERN SEABOARD OF SCOTLAND

- Broadband quality was a key infrastructural issue identified in western Scotland. Improving broadband quality is a necessary priority.
- Market access was also a key challenge identified. Increased support for attending international trade events and festivals, focused on supporting companies to expand and develop a product in development, or seek international partners to expand its reach, could therefore be particularly important in western Scotland.
- A strategy for developing the regional film and television industry in western Scotland would assist industry development. Focusing on developing strengths in particular genres could give such a plan a more strategic approach.
- Half of respondents from western Scotland were members of networks and trade organisations. A regional organisation representing the interests and challenges facing the film and broadcast sector in the western region of Scotland could strengthen the industry.
- Increasing collaboration across creative industries, and within the sector in specific areas of work, should be supported because this approach has significant economic value adding potential emerging from productions.
- The two greatest skills deficits identified were in sales and marketing and craft/technical skills.
- Sales and marketing skills should be developed at intermediate levels. The top two sales and marketing skills found lacking in western Scotland were pitching and marketing through social media.
- Craft/technical skills should be developed at advanced levels. Identifying specific areas of priority in relation to craft/technical skills is difficult from the survey results. However, this emerged as a central skills deficit and therefore some funding to support skills development may be better delivered to companies directly who can then use this to assist with the costs of up-skilling.



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Appendix 1

List of companies in the Honeycomb areas

NORTHERN IRELAND (EXCLUDING BELFAST AND GREATER BELFAST)

De Novo Pictures
DMC Film
Karlmac Media
N.I. Live Vision
Speed Motion Films
Macha Media
Norlas Film
Tobar Productions Leiriuchain
Big Mountain Productions
Borderline Productions
Espirito Productions
Gullion Media
Heaven's Gate Films
Kingsnorth Films
Leslie Wallace Design
Linen Mill Studios
Lumiere Productions
Omas Media
Redray Films
Slackpress
Strandlooper
Theatrical Costume Hire
Three Words Media

Time Base Collective
Visual Narrative
360 Productions
Alley Cats
Ambient Light
Besom Productions
Coral Moon Productions
De Facto Film And Video Production
Dearcán Media CIC
Dog Ear
Gaslight Productions
Gavin Patton Films
Linton Film Productions
Livin it Up
Northland Broadcast
Open Reel Productions
RAW Nerve Productions
The Weatherbies
Westway Film Productions
Patricia Strong Academy
Arcella Films
Simon Says Productions
Soup Stone Productions

REPUBLIC OF IRELAND BORDER COUNTIES

3 Arrows Media
All Points West Media
Arcadia Video
Ashe Productions
Attic Studios
Bandit Films
Beltaine Productions Limited
Benrae Florin
Big Mountain Productions
Blue Shutter Films Limited
C47 Productions
Calipo Picture Company Limited
Cara Holmes (Freelancer)
Cavan TV
Clever Moo Media
Colin Gillen (Freelancer)
Colmark Productions
Diamond Water Productions
Donegal TV
Flasheforward Films
Janey Pictures
Kinship Films
Kristin Jensen
Laighne Films

Appendix 1

Lee Gooch Production
Ligid Teoranta
Lóch Bo Films
Lug Media
Lugh Films (Scannain Lugh Teoranta)
Lunah Productions
Macana Teoranta
Magic Hill Animation Studios
Maguire Media
Manouk Media
Marie de La Guéronnière (Freelancer)
Mark Ronaghan
Mass Productions
McVeigh Broadcast
Niall Flynn (Freelancer)
Nocht TV
Omedia
P & A Video Productions
Paddy Ronaghan Media Services
Real Films
Reelfocus Films
Richard Nevin (Freelancer)
Roaring Mouse Productions
Sleeping Warrior Productions
Sligeach Films

Smirsh Films
Soilsiu Teoranta
Squid Media Ireland Ltd
Timeline Production Company
Timesnap Ltd
Tom Newman Productions
Willing Worm Puppet Films
Zink Films
Zipped Eye Productions Ltd
Zodiac Films

WESTERN SEABOARD OF SCOTLAND

1759 Production Services
Argyll Broadcast Connections Limited
Autonomi
Otterfilms
Video Highland Productions
Redfern Animation
Beacon Films Limited
Clyde Media (Ayrshire Community Media)
Clydeseye Limited
Heather Nicol Ltd
Nelis Editing Limited
Singer Films
The Marketing Café

TIM Young Editing Limited
Top Left Productions Limited
Twisterfilms
URTV
Creature Feature
Creetown Initiative Productions
Haphazard Media
JstRollmedia
Mothcatcher Productions Limited
Myvirtualvisitor.co.uk
Picto Productions
Swift Productions
Acro Film Services
Big Box Network
Mark Film Props
Scottish Films
Sealladh
Skye Mastering
Young Films
Diana Mackie
Studio Fas

We wish to acknowledge the contribution of Mac^{TV} (www.mactv.co.uk) based in Stornoway, Isle of Lewis.

Appendix 2

The Honeycomb Creative Works Team

STAFF AND MANAGEMENT COMMITTEE

David Brown, Scottish Programme Coordinator,
Creative Skillset

Dr Paul Beaney, Project Director,
Ulster University

Deirbhile Doherty, Finance Assistant,
Ulster University

Professor Sarah Edge, Skills Director,
Ulster University

Kevin Fearon, Networks of Scale Coordinator,
Dundalk Institute of Technology

Professor Nick Higgins, Research Associate,
University of West Scotland

Ian Kennedy, Management Committee,
Creative Skillset Northern Ireland

Camilla Long, Skills Coordinator,
Ulster University

Irene McCausland, Management Committee,
Dundalk Institute of Technology

Fiona McElroy, Programme Manager,
Ulster University

Stephen Michael, Web Developer,
Ulster University

Dr Colm Murphy, Intelligence Director,
Ulster University

Aisling Murtagh, Research Associate,
Ulster University

Dr Douglas Nanka-Bruce, Research Associate,
Dundalk Institute of Technology

Caroline O'Sullivan, Skills Coordinator,
Dundalk Institute of Technology

Maria Prince, Programme Administrator,
Ulster University

Alasdair Smith, Management Committee,
Creative Skillset Scotland

Dan Wilks, Research Associate,
Creative Skillset London

LEAD PARTNER

Ulster University

PARTNERS

Creative Skillset

Dundalk Institute of Technology

University of the West of Scotland

DELIVERY PARTNERS

Creative Scotland

Letterkenny Institute of Technology

MG Alba

Regional Development Centre, Dundalk Institute
of Technology

ScreenHI

The Nerve Centre



About Honeycomb

The Honeycomb – Creative Works programme is a collaborative project led by Ulster University, in partnership with Dundalk Institute of Technology, Creative Skillset and the University of the West of Scotland.



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